

Iraq's enmity for Syria delays hardline tactics against Egypt

Hardline Arab tactics against the peace initiative of President Sadat were being delayed last night by Iraq's intransigence at the Tripoli

rejectionist summit. Baghdad's historic enmity for the Syrian regime was thought to be one reason for the failure to agree.

Economic boycott unlikely

From David Weiss
Tripoli, Libya, Dec 4

Intense discussions on the part of Iraq with the delegations of the six hardline states of the Arab world on a programme aimed at undermining President Sadat's peace initiative with Israel.

As the third day of tortuous

discussions at the rejectionist

summit drew to a close, the leaders of Libya, Syria, South Yemen, Algeria, and the

Palestine Liberation Organiza-

tion were awaiting the Iraqi

delegation's approval of a

series of political measures

against the Egyptian Govern-

ment.

It is understood that there is

general agreement between the

other leaders on an anti-Sadat

treaty that would put pressure

on the Egyptian President with

out harming the Egyptian

people. For that reason an

economic boycott is thought

unlikely despite Libyan

demands for one.

Most of the discussions over

the weekend were aimed at

putting pressure on the Iraqis

to sign the agreement. Talks

continued until the early hours

of Sunday morning but the Iraqi

delegation, led by Mr Taher

ezzawi, were apparently insisting

on a rejection in the final

communiqué of Resolution 243

of the United Nations which

refers to withdrawal of the

Israelis from Arab lands

occupied during the 1967 war

and provides for all the states

in Geneva.

Egypt's call to US, page 5

Photograph, page 6

Mr Begin arriving at 10 Downing Street yesterday to continue his talks with Mr Callaghan.

Callaghan pledges to Israel

By David Spanier
Diplomatic Correspondent

Congratulating Mr Begin, the Israeli Prime Minister, on his vision in receiving President Sadat, Mr Callaghan said last night that other Middle East states must be persuaded that Mr Sadat's visit could achieve peace.

Mr Callaghan, speaking at a dinner given by Mr Begin at the end of his official visit to London, said Britain's commitment to the right of Israel to live in peace within secure borders was unqualified.

That goal had consistently eluded Israel since the state was first established. Now, the prospects for achieving it, the Prime Minister said, might be better than at any time in Israel's history.

"Now other states in the Middle East must be persuaded that a stable opposition prevents the full development, both of their people and of our own," Mr Callaghan said.

President Sadat's visit had raised expectations throughout the world that peace can at last be achieved, together with security for Israel and a satisfaction of the legitimate rights of all the people in the region, including the Palestinian Arabs.

A strong sense of Mr Begin's

determination to pursue a peaceful settlement in the Middle East, not just with Egypt but with all the Arab states, was given rousing the Downing Street talks.

Mr Callaghan expressed his support and encouragement for the latest moves towards peace and offered any British help that would prove practical.

Having met Mr Begin, and heard his views, the Prime Minister feels more hopeful than he did before the discussions started, sources close to Downing Street said last night.

No details were revealed of Mr Begin's precise ideas about territorial concessions by Israel or of any other points in his negotiating hand. But he left Mr Callaghan in no doubt about his concern with security, bringing two maps with him to the Cabinet room in Downing Street and pointing out how Israel's borders were affected.

According to an Israeli spokesman, he was "like a lecturer."

Mr Callaghan, in this toast at the dinner in the Savoy Hotel last night, posed the question: what role could Israel's friends play? "We have, of course, our own views about the need for withdrawal; about the way in which the legitimate rights of the Palestinian Arabs should be met; about the way in which Israel's security can be guaranteed," he said.

"From time to time we have expressed our views on these matters and you are aware of them. But I do not believe that at this moment, any of us who are not directly concerned should be stridently advancing in this position."

There was also a discussion of the European Community's attitude towards Israel, which Mr Begin finds more of a hindrance than a help.

A demand for damages would

British troops arrive in riot-torn Bermuda

From Michael Leapman
Hamilton, Bermuda, Dec 4

It has been a dreadful weekend in Bermuda. While some luckily timed heavy rain made last night calmer than the unruly nights of Thursday and Friday, there are few people optimistic enough to predict any sudden cooling of the bitter outburst of anger among black youths protesting against Friday's hangings. Property worth millions of pounds has already been destroyed by fire.

The arrival of 200 men of the Royal Regiment of Fusiliers—Queen's Division from Britain last night, posed the question: what role could Israel's friends play? "We have, of course, our own views about the need for withdrawal; about the way in which the legitimate rights of the Palestinian Arabs should be met; about the way in which Israel's security can be guaranteed," he said.

From his conversations with Arab leaders, Mr Callaghan said he believed the courage and flexibility that would be required from Israel would be matched by an equal effort on their part. Many of them had a genuine desire to put an end to the conflict and history of Arab-Israeli relations.

During the afternoon, Mr Begin was taken to the Foreign Office by Dr Owen, the Foreign Secretary, to the room where the Balfour Declaration was signed 60 years ago. There has been no "renewal" of the Declaration on this visit.

The discussions yesterday afternoon turned mainly to bilateral matters, one of the subjects raised by Mr Begin being the Foreign Office practice of endorsing documents which Israel claims serve the Arab boycott against trade with Israel. There is no change in the British position.

There was also a discussion of the European Community's attitude towards Israel, which Mr Begin finds more of a hindrance than a help.

Continued on page 6, col 4

their victims were white and that they included a Governor of the island and a commissioner of police.

Moreover, the decision not to prosecute the men as taken by a Government which although it has both white and black members, is regarded as uncompromising by the protesters.

The same Government has been in power since black people have been slaves," one young said. Another explained:

"When you have a Government put in power by a foreign power, this is what you get."

The ruling United Bermudians party has the overwhelming support of white voters, many of whom were born in Britain and elsewhere outside the island.

Yesterday afternoon's incident was the first serious

daylight clash between the police and protesters. It occurred after a few cars had been stoned, their windows smashed, and a white man pulled from his motorcycle and Court Street in Hamilton.

This street is the centre of much of the island's illicit activity, notably the drug trade, and is in a part of the town where the police, even in the best of times, move with caution.

In these worst of times, they have been treating it as a no-go area, being content to cordon it off and stop the youths from moving into the capital's main shopping and hotel area.

After the attacks on the cars, though, police Land-Rovers, each containing six policemen with helmets, riot shields and

Continued on page 6, col 4

Public inquiry urged over Crown Agents

By Our Political Reporter

The Government will face demands in the Commons today for a public inquiry into the loss by the Crown Agents of more than £200m of taxpayers' money.

An emergency debate has been granted by the Speaker after the statement by Mrs Hart, Minister for Overseas Development, in the Commons last week.

In a civil action however, the family's lawyers would be able to subpoena such witnesses.

Mr Chetty said most of the 13 people, including relatives and friends of Mr Biko, arrested in Soweto before Mr Prins's verdict had now been freed. He believed four were still being held in public.

The demands for a public inquiry will come from Labour backbenchers and Opposition MPs. Mr John Mendelson, Labour MP for Penistone, who successfully applied for a three-hour emergency debate, said yesterday: "I will demand that the inquiry should be held in public."

Continued on page 6, col 4

GAMMEL STRAND

POSTBREVKASSE

WHERE IN THE WORLD WILL YOU FIND STANDARD CHARTERED?

Denmark is yet another of the 60 Standard Chartered countries. Here at Gammel Strand 34, Copenhagen we can transact your business direct with any of our 1500 Group branches and offices across the world—and thereby save you time and money.

To hear in detail how we can help you in Denmark, ring Keith Skinner today 01-623 7500.

Standard Chartered Bank Limited helps you throughout the world

Head Office 10 Clement's Lane, London EC4N 7AB

A-4 CANTERBURY

Visit to Poland to discuss the ships deal

British Shipbuilders is sending a two-man delegation to Poland tomorrow to discuss the £155m Anglo-Polish deal. They will tell the Poles that four of the 24 vessels have yet to be assigned to British shipyards. However, the delay caused by a continuing dispute at Swan Hunter on the Tyne does not seem to be worrying British Shipbuilders. The two men are going to Poland only to iron out details.

Page 17

Scotland Bill's air powers attacked

The Association of British Chambers of Commerce wants the Secretary of State for Trade to remove from the Scotland Bill the assembly's proposed powers to license airfields and aircraft, as otherwise civil aviation will be thrown into confusion.

Page 2

EEC summit faces budget wrangle

A wrangle over contributions to the EEC budget and the size of grants from the Community's regional fund seems likely to dominate the meeting of heads of governments of the Nine opening in Brussels today.

A change next year to a new unit of account would almost double Britain's gross contributions to about £1,380m.

Page 5

Dr Owen meets Mr Sithole

Dr Owen, the Foreign Secretary, had talks in London with the Rev Ntshembo Sithole, one of the Rhodesian nationalist leaders engaged in the attempt by Mr Ian Smith to reach an internal settlement.

Dr Owen has invited two other nationalist leaders, Mr Joshua Nkomo and Mr Robert Mugabe, to meet him in London.

Page 6

Leader page 15

Letters on pornography, from Mr C. J. Anderson, and Mrs V. F. Ryder, on devolution for Ulster, from Sir Patrick Macrory

Leading articles: Speaking for Whitehall; Libraries

Features, pages 8 and 14

John P. Mackintosh asks if Parliament is trying to prove it does not adequately represent; Norman Moss talks to Sir Ashley Clarke, who is trying to save Venice; Michael Shanks looks at Europe's interest in North Sea oil

Arts, page 9

Michael Ratcliffe on Waste (BBC1); Ned Chaffet on *Fosforo II* (Bush Theatre) and *Sexual Perversity* in Chicago (Regent Theatre); Irving Wardle on *All for Love* (Old Vic); Laurence Cullinan reviews *Kitchener*, George H. C. Newell

Obituary, page 16

Mr Jack Bardsley; Sir Alec Valentine

Sport, pages 11 and 12

Cricket: Centred for Rose and Boycott in Pakistan; John Woodcock reviews Mr Packer's first international match; Tennis: Australia wins

Business News, pages 17-22

Financial News: Signs of action on nationalisation front; Diesel: Two British component makers; Hugh Stephenson: Imperfections in the investment market

Business Diary in Europe; A reluctant champion for consumers?

Finland: A 12-page Special Report which looks at the political and economic development of the country and its relations with the Soviet Union.

Page 7

Indian explosion

After an explosion at a heavy water plant about 200 miles north of Bombay, the plant has been closed down indefinitely.

About 20 people received minor burns when a converter, extracting heavy hydrogen

blew up.

Page 7

Obituary, page 16

Court, page 16

Parliament, page 16

25 Years Ago, page 16

TV & Radio, page 16

Theatre, page 16

Books, page 16

Science, page 16

Letters, page 16

Saturday Book, page 9

Sport, page 11, 12

Monday Book, page 9

Business, page 17-22

Overseas News, page 6, 7

Agriculture, page 16

Apprentices, page 16

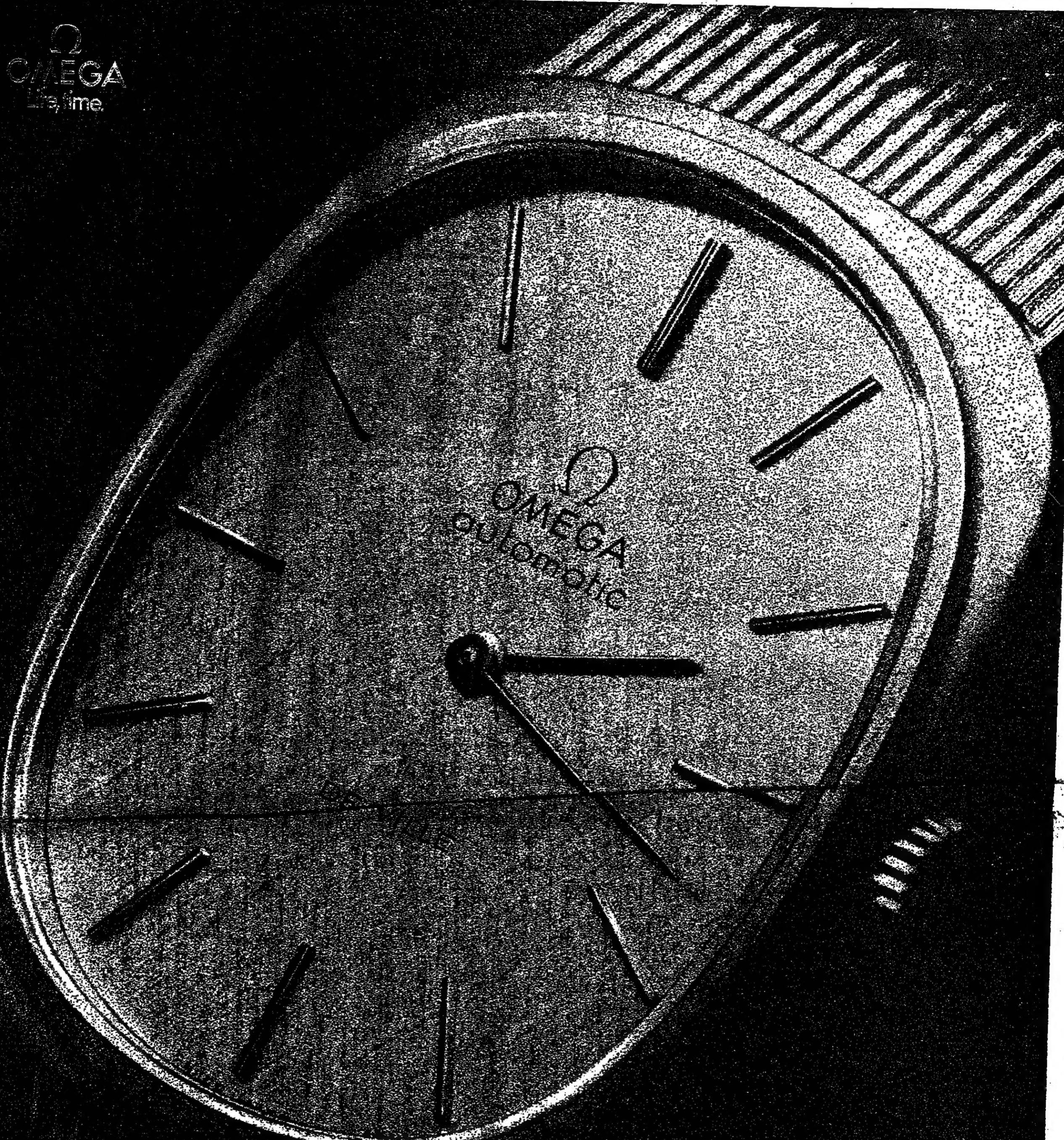
Business, page 16

Arts, page 16

Business, page 17-22

Church, page 16

OMEGA
Lifetime.



I looked across the table at her.

She had turned to say something to the waiter.

A shaft of light from the open doorway momentarily played across her hair.

I consulted my Omega, for I am a precise man.

At two eighteen on a Friday afternoon, I, Edwin Miller, middle-aged bachelor, was falling in love for the very first time.

HOME NEWS

Discrimination behind liberal cloak, study of immigrants alleges

From Arthur Osman

Birmingham

Discriminatory practices against immigrants are continuing behind a cloak of liberal legislation, according to a report published yesterday by Birmingham Community Development Project at the end of five years' work in the inner-city area of Salfley.

The project was one of 12 set up by the Home Office in conjunction with local authorities to tackle the causes of urban deprivation.

One of several reports the research team says: "Immigrants are becoming disillusioned. The Labour Government is no longer seen to have a commitment to developing immigration and race relations policies which protect the interests of immigrants, and local Labour representatives appear to have no influence."

That disillusionment had been reflected in the Stechford by-election earlier this year, when a former left-wing candidate appealing on a strong anti-racialist ticket took a large part of the Asian vote.

"This protest vote can grow only as long as discriminatory practices continue behind a cloak of liberal legislation, while antagonism and mistrust are bound to accumulate. This is the price the state is going to pay for hanging on to the threadbare notion of the Commonwealth and for courting the interests of industry, not exclusively for not long," the team says.

Over the past few years administrative devices had begun to restrict the process of settlement for families.

Wives and children with legal rights to enter Britain faced endless difficulties in obtaining entry clearance. Men had to register as United Kingdom citizens found wives abroad that right. Women were denied citizenship on the ground that their marriages were not genuine.

Those whose families were still abroad often could not get tax relief or child benefit because they could not meet the standard of documentation

required by the Inland Revenue. That in turn affected a family's chances of getting entry clearance, for clearance offices would use evidence of a husband's "single" coding against the claimant.

The report continued: "Legislation which appears to say one thing has been counteracted by such administrative devices. They are invisible and highly responsive to a changing political climate, and when discriminatory powers are given to officers who reflect the ideology and prejudices of the institutions in which they work, a discreet anti-immigration policy develops."

"So through a series of shifts in policy, rather than through a dramatic change, the state has abolished the freedom of movement of dependants and reduced the rights of people who were in the process of settling here."

In this way it has succeeded to some extent in backpedalling on some of its problems which resulted from the transition from a free labour market to a contract migrant labour system. It has done this without affronting liberal public opinion because it has relied mainly on discretion and discriminatory practice."

Another reporter said: "Our understanding of inner city industrial decline identifies it as an essential part of present economic development. Rather than as a result of dependants, it could be argued that British industry is to rebuild itself on a profitable basis from inner city decline must accelerate."

"Such an approach has at least the advantages of consistency and it does not pretend that significant changes are possible on the basis of minor shifts in resources or planning policies. Recently it has become fashionable again to call for these."

One striking fact about inner city difficulties was that no one seemed to talk of the reason for their existence and no one seemed to admit that the proposals put forward for solving them would make very little difference.

Smithfield euphoria hides farmers' price struggle

Final preparations for the Smithfield Show yesterday obscured momentarily British livestock farmers' struggle to escape from the constraint of the Governor's cheap food policy. While exhibitors grommed their beasts to a perfection never glimpsed outside the show ring, leaders of farming unions prepared for today's meeting at the Ministry of Agriculture, Fisheries and Food about prices for next year.

The Smithfield organizers announced that the amount of animals exhibited is higher than last year, masked the fact that there are fewer beasts in the country now than at the end of last year. Herds have been run down in the cut-price British market or sold in more lucrative parts of the EEC.

Farmers are caught between competing pressures from which only ministers, and not market forces, can release them. On one side they want to enjoy the fruits of EEC membership and cover their increased costs by winning higher prices. On the other the Government wants to preserve its wages policy by making sure shoppers do not have to pay higher prices.

The key to the dilemma is the use of the "green pound" the device by which EEC farm prices are expressed. It is generally held that the pound sterling has fallen. Farmers, therefore, receive much less from EEC price awards than they would otherwise.

The gap between the "green pound" and the exchange rate is now 29 per cent. If it was closed, food prices would rise by more than 5 per cent. But the "green pound" is

The effect of EEC farm policy shown in the account

Subsidies on imports, 1977

Price rises, 1976-77

1977

1976

per lb.

Refusal of British and Irish to pay large increases sets scene for undignified EEC budget dispute

From Michael Hornby
Brussels, Dec 4

An undignified and mercenary wrangle over how much individual members should pay into the EEC Budget next year, and, how much they should get back in grants from the Community's regional fund, seems likely to be the central event of the two-day summit meeting of heads of government of the Nine opening here tomorrow.

At the heart of the dispute is the refusal of the British and the Irish to accept in full the very sharp real increases in their budgetary contributions in 1978 and 1979, which would arise from the planned switch next year to a new unit of account for calculating the Budget.

In cash terms, Britain's estimated gross contribution this year of about £700m would almost double in 1978 to about £1,380m if the full implications of the new unit of account were accepted. This is what the Germans and most other members have been insisting on.

Britain, backed by the European Commission, considers that a fair contribution next year would be some £1,140m, still a substantial increase, but

£240m less than the maximum demanded by West Germany. The difference between the two sides is about the same for the 1979 contribution as well.

The disparity arises because the unit of account used at present for budgetary purposes is converted into national currencies at pre-1971 gold-based dollar parities. Thus the pound is still deemed to be worth 2.4 units of account against a value of only 1.5 in the new unit, which would be based on current market rates.

The British and Irish have made clear that they cannot accept the switch to the new unit of account if the result is a bigger increase in their contributions than they would incur anyway as they move by annual steps towards a full role in 1980 in the Community's self-financing Budget system.

Last month, EEC Budget ministers came close to agreement on an ingenious Belgian-Danish compromise. This would allow each member to calculate its contribution at the unit of account rates most favourable to it. In practice, everyone except the British and the Irish would pay less under the new unit of account.

But legal experts in Brussels say that EEC rules do not permit the Community to run a Budget deficit. Politically, neither the French nor the Germans appear happy about the compromise, which cannot in any case be disengaged from the separate dispute over the regional fund.

The Commission, backed by the British, the Italians, the Irish and the European Assembly, wants the resources available in the fund, which is designed to redress wealth from the richer to the poorer regions of the Community, to be raised to £488m next year, from £253m in 1977.

The Germans say that this is too big an increase, while the French are insisting that whatever the size of the fund eventually agreed their share should be raised from 15 per cent to 21 per cent. The Italians, British and Irish are anxious to preserve their large existing shares of 40 per cent, 28 per cent and 6 per cent.

Pressure to end councils of Italian provinces

From Our Own Correspondent Rome, Dec 4

Senator Giacomo Stannari, Minister of the Treasury, is the most recent of a notable line of reformers to demand the abolition of the 94 provincial administrations in Italy.

His object is to save money and to put an end to an institution which shows every sign of having outlived its usefulness.

The regional governments, covering much wider areas, have their full powers, while the municipalities are agreed to be an essential part of local government. If they have had to deal with many of the consequences of widespread shift from the countryside to the towns.

The provinces are an intermediary stage of local administration with few powers or responsibilities to justify a separate level of organization. And they have increased their debts 250 per cent over the past seven years.

Historically the provinces was introduced into parts of Italy by Napoleon on the model of French department.

Each province elects a council every four years with between 24 and 45 members depending on the number of inhabitants. The council in turn elects an executive which sits with the comparatively few fields which are the provincial responsibility. These include a certain amount of roadbuilding and maintenance, including highways for which the state or the municipalities are responsible; some public assistance, especially for orphans and the mentally ill; and some responsibilities for health, such as the prevention of contagious diseases.

Their share of road maintenance amounts to about 4,000 miles and there are striking differences in the costs of such work. In the initial province of Agrigento, for instance more than £2,100 is spent for every kilometre mile in the north-eastern province of Pordenone the sum is £1,500.

Politically, the provinces are remarkable for the number of socialists at the head of the securings—about 36 out of the 46—meaning that a party with 0 per cent of the national vote has well over one third of the provincial chairmanships. The biggest party, the Christian Democrats, comes second. The likelihood of abolition is not regarded as particularly high for the provinces remain useful field of patronage. The reaction from the provincial capitals would be strong and in some places probably violent if they were to lose their status.

Régis Debray wins
Paris, Dec 4. Régis Debray, a French left-wing intellectual exiled in Bolivia during the 1960s, has won the 1977 Prix Goncourt for his novel *La Neige Brûle* (The Snow is Burning).

Soldier-students take leave of the École mutiny
From Our Own Correspondent Paris, Dec 4

The soldier-students of France's famous Ecole Polytechnique were to have mutinied at the weekend in protest at what they regard as too severe punishments. The revolt was to have been in the form of a sit-in at the college by all the students, but only a handful gave up their weekend leave to stage the protest.

Discontent with military discipline came to a head at the school hall the previous weekend when the director, General Jean-Noël Augier, noticed that one student, Frank Jollet, had several of his uniform buttons undone. He general ordered the student to do them up four times and on three times the student refused. He following Monday he was

French police protect Algerians after threat

From Ian Murray
Paris, Dec 4

Police controls are to be stepped up to protect Algerians living and working in France after the murder on Friday of a nightwatchman in Paris. According to an anonymous telephone call, the "Delta" group was responsible.

"Delta" was the codename of the commando group which, at the height of the Algerian war, carried out many daring and vicious attacks against French troops to hunt members of the right-wing OAS (Organisation Armée Secrète).

It has not been heard of since its first leader, Roger Degaudre, a Foreign Legion paratrooper, Lieutenant, was executed in 1962.

The murdered nightwatchman, Laid Said, was on his way into the offices of the European Algerian Association in the Rue Louis le Grand, near the Opera, when he was shot down by two or three men using heavy military pistols.

Although he had managed to make his escape in a car which had been double parked outside the office.

Some four hours later, the telephone call was made to Agence France Presse in Paris.

Bomb explodes in train at Yugoslav border

Graz, Austria, Dec 4. A bomb exploded this morning in a lavatory on the Belgrade express train after it had left the Austrian border station of Spielberg and crossed into Yugoslavia, police reported. Apparently no one was injured.

During a routine check carried out on all trains crossing the border, a Yugoslav official detected a suspicious parcel. He pulled the emergency brake but the bomb went off before the train came to a halt.

When the train reached the railway station of Sentilj in Slovenia, the damaged carriage was uncoupled and the journey to Belgrade later resumed.

The extent of the damage was not known.—AP

Opinion poll shows French left still just leading

From Our Own Correspondent Paris, Dec 4

Yet another French opinion poll, to be published tomorrow, shows the left still just ahead in the run up to the general election in March.

The Louis Harris Poll published in the magazine *Le Point* shows that in the first round of the election the Union of the Left should receive 51 per cent of the votes.

However, when the electors transfer their votes in the second ballot the picture is expected to change and the government majority is tipped to win. A high proportion of Socialist voters are expected to

Briton is shot dead in bar quarrel

Draguignan, Dec 4.—A British tourist was shot dead during the night by an unknown assailant during a quarrel in a bar in the village of Figanières, in Provence.

Mr George Gordon Erington, aged 43, of Derby, had gone to the bar, Les Ombrages, with Mr Malcolm Geoffrey Lane and Mr Gordon Reckinson. They were involved in a quarrel with other men, one of whom shot Mr Erington in the back. Mr Lane received a slight head wound, but Mr Reckinson was not hurt. The man escaped.

The three Britons had gone to Figanières to restore a country house they owned in the region.—Agence France Presse.

Swiss reject tax reform on higher incomes

From Our Correspondent Geneva, Dec 4

In a national referendum Swiss voters have rejected proposals for a reform of taxes on higher incomes. A uniform scale of assessment was proposed to be applied nationwide replacing the present scales that vary considerably among the 25 cantons.

Under the proposals put forward by the Socialists Party, income tax would have been raised for people with an annual income of 100,000 Swiss francs (£25,000) upwards, ranging from 20 per cent on that figure to 47 per cent on 1m francs. Similar scales are already applied in some cantons.

Statistics show that 2 to 3 per cent of taxpayers own about half the total of individual assets.

Señor Suárez consolidates his support

Ruling political groups in Spain agree to merge into one party

From William Chislett
Madrid, Dec 4

The result would be a Budget deficit next year estimated at between 3.5 per cent and 4 per cent. This, the Danes suggest, could be met by a loan raised on the international capital market and repaid out of the Community Budget after 1980.

The disparity arises because the unit of account used at present for budgetary purposes is converted into national currencies at pre-1971 gold-based dollar parities. Thus the pound is still deemed to be worth 2.4 units of account against a value of only 1.5 in the new unit, which would be based on current market rates.

The British and Irish have made clear that they cannot accept the switch to the new unit of account if the result is a bigger increase in their contributions than they would incur anyway as they move by annual steps towards a full role in 1980 in the Community's self-financing Budget system.

Last month, EEC Budget ministers came close to agreement on an ingenious Belgian-Danish compromise. This would allow each member to calculate its contribution at the unit of account rates most favourable to it. In practice, everyone except the British and the Irish would pay less under the new unit of account.

But legal experts in Brussels say that EEC rules do not permit the Community to run a Budget deficit. Politically, neither the French nor the Germans appear happy about the compromise, which cannot in any case be disengaged from the separate dispute over the regional fund.

The Commission, backed by the British, the Italians, the Irish and the European Assembly, wants the resources available in the fund, which is designed to redress wealth from the richer to the poorer regions of the Community, to be raised to £488m next year, from £253m in 1977.

The Germans say that this is too big an increase, while the French are insisting that whatever the size of the fund eventually agreed their share should be raised from 15 per cent to 21 per cent. The Italians, British and Irish are anxious to preserve their large existing shares of 40 per cent, 28 per cent and 6 per cent.

However it is believed that

Señor Alvarez de Miranda will now go along with the idea, given the overwhelming support for unity. He is reported to have obtained some concessions from Señor Suárez, particularly regarding educational subsidies.

Señor Suárez called the decision "enormously important for the consolidation of democracy". For months now, since the Centre, agreed over the weekend to form one party. The committee gave the parties until next Saturday to dissolve themselves. Any who do not, it is quite likely that the minor government reshuffle will now go ahead.

The Centre also agreed at its meeting to reconsider Article 3 of the draft of the new constitution, which declares that Spain will no longer be a confessional state. The Royal Catholic Church attacked this decision.

Only the Popular Democratic Party headed by Señor Ignacio Caminos, the former Minister for the Cortes, who resigned in September, voted against the decision.

The Christian Democratic Party of Señor Fernando Alvarez de Miranda, the President of the Lower House, abstained in view of its decision to disband "until the Centre adopts more of the Prime Minister's independence".

Compared to the left the Centre is very badly organized, particularly in the provinces.

The only way such a grouping can hold together is by the member parties burying their differences, which are slight anyway and more a matter of personality clashes.

Señor Suárez, who himself has yet to declare precisely where he stands politically, has managed to bring some order into the Centre and as a result will now go ahead.

The Centre also agreed at its meeting to reconsider Article 3 of the draft of the new constitution, which declares that Spain will no longer be a confessional state. The Royal Catholic Church attacked this decision.

The left has told the church to mind its own business, but the Centre is having second thoughts because it is important for a considerable lessening of the church's influence could lose it votes to the right-wing Popular Alliance.

In Pamplona extreme right-wing demonstrators clashed yesterday during a demonstration called in favour of including the province of Navarra in a statute of autonomy for the Basque country.

Psychologically the decision is important for Spaniards have come to think cynically of the Centre as being little more than a loosely-knit collection of self-perpetuating interests. Politically, with a view to municipal elections and most probably general elections next year, the Centre should be in a stronger position. Fresh general elections are likely after the constitution is approved next year.

Compared to the left the Centre is very badly organized, particularly in the provinces.

from the building instead of the green and white Andalusian banner.

Demands, reflecting a new surge of regionalism feeling which has spread throughout the Andalusian and in the north-western region of Galicia.

Spanish television estimated that three million people took part in the demonstrations in Andalusia. An estimated 350,000 people marched in Galicia.

Andalusia and Galicia are two of the country's poorest regions. Demands for autonomy have mounted since the decision by Señor Suárez, the Prime Minister, to grant autonomy to Ceuta and Melilla.

Andalusia and Galicia are two of the country's poorest regions. Demands for autonomy have mounted since the decision by Señor Suárez, the Prime Minister, to grant autonomy to Ceuta and Melilla.

An Andalusian trade union spokesman said the police had drawn their revolvers when chasing the demonstrators, but it was not known who had fired the shot that killed the youth. Trade union officials have

Dr Soares in need of Communist votes

Lisbon, Dec 4.—Dr Antonio Macaco, the Portuguese Socialist Party chairman, said today that Communist support for the minority Socialist Government in a crucial confidence vote in Parliament next week would be welcome.

Dr Mario Soares, the Prime Minister, may have to rely on such support if his 16-month-old Government is to survive over the issue of a tough economic austerity programme.

In a speech at Aveiro, 175 miles north of Lisbon, Dr Macaco said there was no difference between the votes of the 40 Communist deputies in the 263-member Assembly of the Republic and those of the 73-strong Social Democrats and the 41 Centre Democrats.

The two main opposition parties are expected to line up against Dr Soares at the end of a marathon 19-hour debate beginning on Tuesday morning and ending at midnight on

Wednesday. The Socialists can count on only 102 sure votes, and thus need Communist support or right-wing abstentions to sur-

pass the 250 mark.

After seeing President Eanes last night, the Prime Minister was "serene and calm" and would accept the verdict of Parliament whatever it was.—Reuter.

Dutch coalition agrees on Premier and Cabinet posts

From Robert Schul
Amsterdam, Dec 4

Mr Andries van Agt, the parliamentary leader of the Christian Democrats, and Minister of Justice in the outgoing Labour-Christian Democratic Government, is expected to be asked by Queen Juliana to form the new Government early in the week.

There was some doubt whether Mr van Agt, politically the most obvious choice to lead the new right-of-centre coalition of Christian Democrats and conservative Liberals, would be asked to do so. He is not an economist, and his Government will have to tackle a number of urgent economic problems.

The new Government will have a shaky base in Parliament as six left-wing Christian Democrats have refused to approve the pact with the Liberals. The new coalition can thus be certain of only 71 votes in the 150-seat parliament. The six dissidents were the final obstacle in the talks between the Christian

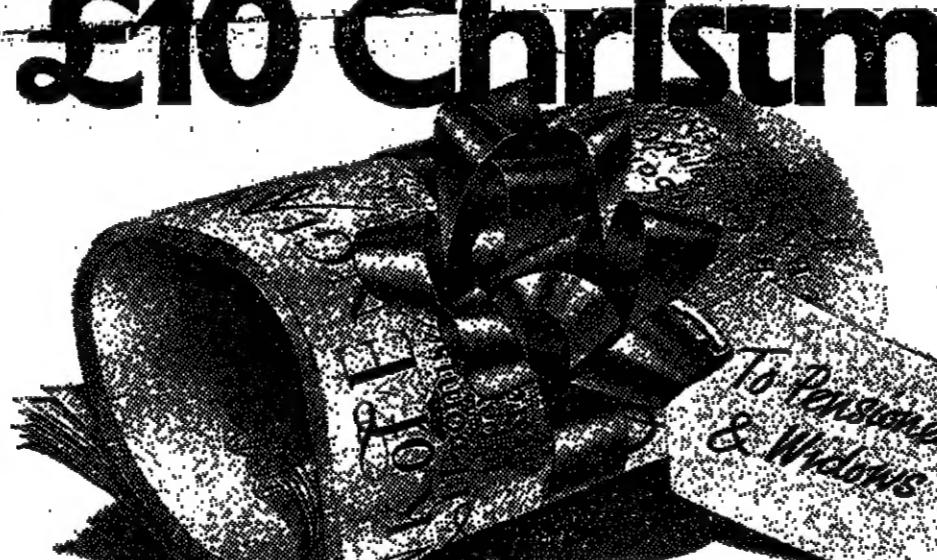
Democrats and the Liberals.

After earlier agreement on a programme, the parties reached agreement late on Friday on the allocation of portfolios.

The Christian Democrats will provide 10 Cabinet members, including the Prime Minister. Their portfolios include Justice, Finance, Defense, Social Affairs and Overseas Development. The Liberals will provide six Cabinet members.

The new Government will have a shaky base in Parliament as six left-wing Christian Democrats have refused to approve the pact with the Liberals. The new coalition can thus be certain of only 71 votes in the 150-seat parliament. The six dissidents were the final obstacle in the talks between the Christian

How you will get your £10 Christmas Bonus.



If you are entitled to the £10 Christmas Bonus you will get it automatically. You do not need to apply.

Check that you're entitled to the bonus.

You will get the extra £10 if, in the week beginning 5 December, you are entitled to any of these benefits:

Retirement pension (including over 80 pension)—even if your pension is not currently payable because of high earnings.

<tbl_r cells

OVERSEAS

Patriotic Front leaders invited for talks in London to clear up suspicions over British policy

By Our Diplomatic Correspondent

Britain intends to keep in touch with all the Rhodesian settlement parties while Mr Smith, the Rhodesian Prime Minister, pursues his own discussions in Salisbury.

Accordingly, Dr Owen, the Foreign Secretary, has invited Mr Joshua Nkomo and Mr Robert Mugabe, the two Patriotic Front leaders, for talks in London later this month. The proposed dates are December 12 and 13.

The invitations were sent out at the end of last week. Mr Nkomo's was delivered by the British ambassador in Lusaka and Mr Mugabe's was sent to Ministro.

The Foreign Office has no indication that either Mr Nkomo or Mr Mugabe will be willing to come to London for talks now. Given the Front's suspicions about British intentions, the

prospect of any fruitful exchange does not seem to bright. Nevertheless Dr Owen wants to continue the discussions which Field Marshal Lord Carver, the British Resident Commissioner-designate, began on arrangements for ceasefire and also on the wider issues of the settlement plans in the British White Paper.

Yesterday Dr Owen saw the Rev. Notataudung Sithole, one of the nationalist leaders who is taking part in the talks called by Mr Smith to discuss holding elections based on adult suffrage in Rhodesia. Mr Sithole is passing through London on his way home to Salisbury.

Dr Owen also said in a television news bulletin that world opinion was outraged by the verdict that South African security police were not responsible for the death of the black African leader Steve Biko.

A lot would depend on the South African Government's reaction to this opinion.

Any one who wished to glamourise the liberation

struggle and those who somehow thought there was a soft option to supply arms to the liberation forces should be disbursed. Dr Owen told a Labour Party and Anti-apartheid Movement conference in London.

"It is going to be a very long, bloody and damaging struggle in which a whole host of people will be killed and the outcome is uncertain", he said. "For the Western powers to give up all forms of attempting to solve this peacefully would be an act of monumental folly which history would judge us most severely for."

Dr Owen also said in a television news bulletin that world opinion was outraged by the verdict that South African security police were not responsible for the death of the black African leader Steve Biko.

A lot would depend on the South African Government's reaction to this opinion.

Bishop likely to attend next Salisbury meeting

From Frederick Cleary

Lupane area of Rhodesia and torture the man's wife and daughter.

Mr Baughman is said to have worn an army uniform, carried a weapon and ridden with the troops. On his own admission, he departed from his observer role and was "drawn in on one occasion". By wearing a Rhodesian military uniform, carrying a weapon and possibly being a participant in some fighting, Mr Baughman has embarrassed the new agency, which only released that part of the story after being pressed and criticised for supressing news.

According to the Associated Press report, Mr Baughman met an American who holds the rank of major in the Rhodesian Army, at a party and persuaded him to arrange for him (Mr Baughman) to accompany the unit on its mission. Mr Baughman left Rhodesia on November 20 or 21 for London.

All Bishop Muzorewa, who leads the popular United African National Council (Sithole) faction, represented last week by Mr. Elling Cabelash.

Mr Baughman, who is said to be the popular United African National Council (Sithole) faction, represented last week by Mr. Elling Cabelash.

Because of the special inquiry into the torture allegation, Rhodesian military authorities are not saying anything now except that the Associated Press report carried a number of serious accusations.

In view of this, the Associated Press representative who flew from Johannesburg to with Rhodesian Government officials has agreed to hold up publication of a detailed account of the incident provided the Rhodesian authorities produce certain information.

The Rhodesian military command is determined to punish any force involved in torture and has announced that the due process of law will be applied even if this means prosecuting members of the security forces.

Observers believe that having made his point about the raids on the guerrilla camps, Bishop Muzorewa has shown that he is no smooth puppet.

Torture inquiry: A Rhodesian army inquiry into an allegation expected to produce its findings this week. In addition, the party played by an American photographer employed by the Associated Press news agency in Rhodesia may be disclosed.

The agency has already published one account of the alleged atrocity reported by Mr Ross Baughman, who claims he saw a 25-man cavalry unit lynch burn down native huts beat a local politician in the western

Apparatus. Mr. Baughman shows signs of mental disturbance.

YOUNEFA GOOD REASON FOR BUYING AN ORIENT QUARTZ CHRONOGRAPH

HERE ARE TWENTY

Swapo chief detained in Namibia

From Our Own Correspondent

Johannesburg, Dec 4

Mr Daniel Tjongarero, the most senior member of the South-West Africa People's Organization (Swapo) living in Namibia, has been detained by the police, it was confirmed in Windhoek today.

Brigadier Victor Verster, the district commissioner of police, said that Mr Tjongarero, Swapo's vice-chairman, was detained in the north of the territory with Mrs Martha Ford, his secretary, and two other people. The two others, Mr Tauno Haruikulphi, a Swapo executive, and Mr Justin Ellis, a member of the Inter-Denominational Christian Centre were later released.

The four were held on Friday while attending a symposium. They were detained under new security legislation introduced last month which replaced the former emergency regulation in the three northern homelands of Ovambo, Kavango and Caprivi.

The regulation restricted entry into and movement within the three homelands, where South African forces are engaged in a war against Swapo.

The detentions coincided with the end of the apparently inconclusive four-round series of talks in Pretoria between South Africa and the five Western members of the United Nations Security Council on the future of Namibia.

Admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-"

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the trouble. A more moderate approach, however, is taken by the opposition Progressive Labour Party leader, Mrs Luis Brown, night to appear for an "ex-

admitting that the extent of the disturbances had taken the Cabinet by surprise, said: "There's only one way to get on top of them. You have to get a bit rough. If the Government doesn't use real force and get on top of all this, Bermuda will break up."

Such feelings are shared by many Government supporters, one of whom spoke to me about Marxists and anarchists being at the root of the

OVERSEAS

Napoleon serves as model for would-be founder of a new dynasty

Emperor Bokassa I crowned in Central Africa

Baris, Dec 4.—Emperor Bokassa the First was crowned here today in one of the most lavish and spectacular events in recent African history.

The 35-year-old emperor, a devotee of another military emperor, Napoleon, was 90 minutes late for his coronation in sports stadium. He made a spectacular entry univalued for pomp since Haile Selassie mounted the Ethiopian throne 47 years ago.

Emperor Bokassa descended from his ancient eight-ton French coach and walked slowly along a red carpet stretching down the centre of the sports stadium to the throne of the Central African Empire. A massive gold-plated figure of an eagle, 15ft high with an 18ft wing span. The red velvet seat was carved into the breast and belly of the eagle.

He wore a gold-trimmed beige robe with a broad sash in the imperial colours of red, white, blue, green and yellow, a small gold-plated crown of oak leaves. The beautiful 25-year-old Empress Catherine, who preceded him from the

coronation room, wore a similar crown.

She was sheathed in a shimmering gold lame dress studded with multicoloured precious jewels and with an off-top. She was accompanied by eight maid of honour dressed in fluffy white, pink and red dresses with broad-brimmed hats.

The Emperor's two-year-old son and heir, Jean Bedel Georges, rode to the ceremony in his own open green and gold coach pulled by a team of six white dappled horses.

He was dressed in white naval officer's uniform trimmed in gold, with a white peaked cap. He yawned repeatedly and stamped his feet to the music during the coronation ceremony and the following Hig H Mass in the cathedral of Bangui.

Emperor Bokassa received a 6ft diamond-encrusted sceptre of office and was draped by aides in a 20ft long red velvet cloak trimmed with white fur.

With the assistance of the Court chamberlain he placed the Imperial crown on his head, starting a new royal line on the African continent. The Imperial Guard, dressed in black rubber boots, black skirts and

red tunics and berets and armed with rifles, guarded much of the route.

The procession from the coronation site to the cathedral was led by a military band that was also in black and red, followed by horsemen specially trained in France to ride European style and clothed in green and black.

Both the crown prince's open carriage and the emperor's glass enclosed carriage were in dark green, trimmed in gold with imperial eagles at all four corners of each roof.

Traditional African dancers and musicians followed.

Temperatures soared above 100°F (40°C) for the ceremony; the court chamberlain repeatedly mopped Emperor Bokassa's brow.

The coronation and tonight's gala dinner for 2,000 guests cost an estimated £14m, in a country officially listed as among the world's 20 poorest nations, with a per capita income of only about £85 a year. The bill equalled a quarter of what the country earns from all exports each year. —UPI and Agence France-Presse.

Indian atom plant closed after explosion

From Our Own Correspondent

Delhi, Dec 4

The heavy water plant of India's Atomic Energy Commission at Baroda has been completely shut down for an indefinite period as a result of an explosion yesterday in the plant's converter. About 20 persons sustained minor burns.

The explosion came after a series of blasts in the converter where heavy hydrogen is extracted from ammonia gas. The converter was soon in flames which it took fire brigades an hour to bring under control. The plant is about 200 miles north of Bombay.

Production of heavy water, for which a production target had been set of 300 metric tons by 1979 is now likely, according to informed sources, to be delayed by at least one year.

The Baroda project, started in 1969 and developed by a French consortium, is expected to produce about 67 metric tons of heavy water annually. It was the oldest of four such plants under construction for the Commission.

A team of experts from the AEC is now investigating the causes of the explosion which is reported to have occurred after a leakage had been found in the converter. The Baroda plant had initially been supposed to be commissioned two years back and had still not started to produce heavy water in substantial quantities.

Heavy water is needed for India's nuclear power. This was the second mishap to the heavy water programme. Three years ago equipment from West Germany for another plant was reported to have fallen from a ship in a storm off Portugal.

Polish leadership accused of attacking morals

Warsaw, Dec 4.—The Polish Roman Catholic Church today accused the state authorities of encouraging sexual immorality in an attempt to undermine the influence of religion.

A pastoral letter read out in churches throughout this predominantly Catholic country denounced declining moral standards, sexual licence in the mass media, film and theatre, and what it called "brutal sexual education" of the young.

It called on parents, teachers, cultural figures and young people themselves to resist what it said was "a secret plan for the moral disintegration of the nation".

Unlike most other communist countries, Poland is relatively permissive in sexual matters. Many films contain scenes of nudity and sex. Several illustrated magazines feature photographs of naked women.

Observers were struck by the fact that the latest church plan against the authorities, although drafted at a bishops' conference in June, was read only three days after Mr Edward Gierek, the party leader, met the Pope in the Vatican.

The Polish Church, they said, was demonstrating that links between Warsaw and the Holy See did not affect its willingness to speak out against its Government. —Reuters.



Australia's 'dirtiest' campaign turns tame

From Our Correspondent

Melbourne, Dec 4

At a time when the Australian election campaign had turned severely against the Government, Mr Malcolm Fraser, the Prime Minister, described it as "the dirtiest campaign" he had experienced.

The remark took everyone by surprise, including Mr Fraser's deputy, Mr Douglas Anthony, who said the next day that he had not found it dirtier than any other campaign.

In fact although there has been the normal personal slippage, there has been no real evidence of particularly foul play. Mr Fraser would probably be less inclined to make such a remark now that the opinion polls have his ruling Liberal-Country Party coalition once more leading the Labour Party.

Mr Fraser himself has not come out of the campaign with a spotless reputation. Apart from pressuring Mr Phillip Lynch, his Treasurer, to resign as a MP, and then later revealing that he, too, operated such companies, Mr Fraser has made questionable political claims.

One is that his Government had brought the rate of inflation down from 19 per cent to 9 per cent. Opponents argue that the rate has dropped from a peak of 16 per cent to about 10 per cent.

For his part, Mr Gough Whitlam, the Labour leader, has been accused of a variety of misdemeanours, but none of the allegations has proved to be of much substance. Attempts to suggest that a company called Whitem Holdings was a mysterious pecuniary interest of Mr Whitlam fell flat when it was shown the company belonged to his son, a merchant banker.

Mr Whitlam was also accused, accurately, of trying to gain votes from Mr Lynch's resignation. He maintains that although Mr Lynch's profit from land deals was not illegal, channelling his windfall through a family trust to avoid tax was highly improper for a man pledged to close just such tax loopholes.

A possible "dirty trick" of the campaign has not come from either party, but from a publishing house. After the success a couple of years ago of their book *The Wit of Gough Whitlam*, Outback Press has now published *The Wit of Malcolm Fraser*.

The paperback has a whimsical portrait of Mr Fraser on the cover, but inside are 100 blank pages.

The only other possibly questionable action which would probably be considered a legitimate election ploy, has been the leaking of the news media by the Government of the report of a royal commission on human relationships set up by the Whitlam Government.

The details given to the press concentrated on proposals for the liberalisation of laws relating to abortion, homosexuality, the age of consent and incest.

Although Mr Whitlam accused Mr Fraser of leaking only the dirty bits of the report, he appears to have damaged Labour.

In fact the campaign has probably been milder and less meaningful than many in recent memory, and there have been quite a number.

Mr Whitlam has now campaigned at several elections, against Mr John Gorton, Mr William McMahon, Mr Bill Snedden and Mr Fraser. His score has been lose, win, win, lose, and at this stage it appears that he faces another defeat after leading during most of the campaign.

Nevertheless, no one would be really surprised at a Labour victory. There has even been a suggestion recently that a tie is possible which would be trying for Sir Zelman Cowen, the new Governor-General, who would have to resolve the deadlock.

The article follows a series of executions reported in several Chinese provinces since the fall of the "gang" in October, 1976. —Agence France Presse.

Executions defended in Chinese press

Beijing, Dec 4.—The People's Daily today defended the justice handed down by people's courts, including death sentences. "The people's courts are an instrument of representation, not of gentleness", it said.

An article written by the study group of the highest court of justice in Peking, "Slogans of the Chinese people's courts", was published in the People's Daily.

According to Lin Piao, Mao Tse-tung's former successor, who disappeared in 1976, the legal system applied the people's courts in China was directly derived from the capitalist system. During the years before the Cultural

Revolution in 1966 the courts had "never done anything good and were even worse than in the time of the Kuomintang", he had said.

Today's article said: "Since 1949, sticking to the party line and respecting the national laws, they have applied the sentences laid down for national traitors and counter-revolutionary elements. Among these sentences is the death sentence prescribed for a minority of bad elements who committed serious crimes."

"Not to execute them would be not to give satisfaction to the people's anger directed against the bad elements who harm the state. It is necessary to protect the security of social

lives and the lives of the masses, as well as the security of property, and strengthen the dictatorship of the proletariat. This is really a very good thing for the great masses."

Denouncing Lin Piao and the "gang of four", who described the people's courts or judges as "fascists and hangmen", the People's Daily also came out strongly against a statement by Lin Piao that there were no "good elements" in the courts.

The article follows a series of executions reported in several Chinese provinces since the fall of the "gang" in October, 1976. —Agence France Presse.

16 feared drowned

Delhi, Dec 4.—Sixteen people are feared drowned after a boat with 40 people on board capsized near Salem, in Tamil Nadu, South India.

Oxford v Cambridge Varsity Match for the Bowring Bowl

At Twickenham—tomorrow, Tuesday 6th December

Kick-off 2.15pm



Cambridge became the first winner of The Bowring Bowl at Twickenham last December. The Bowl, to be played for each year, is part of the Bowring Sponsorship of the Varsity Match between Oxford University and Cambridge University.

Bowring itself turned in a winning performance as one of the largest single contributors to this Country's invisible earnings. This contribution resulted in C. T. Bowring (Insurance) Holdings Ltd. winning the Queen's Award for Export Achievement 1977.

During the past two years Bowring Insurance Broking has increased its premium turnover in overseas currencies two and a half times, namely from £177,000,000 in 1974 to £447,000,000 in 1976.

This is in addition to Bowring's overseas earnings from insurance underwriting, shipping, trading, and banking and its income from overseas subsidiary and associate companies.

Bowring
C. T. Bowring & Co. Limited
The Bowring Building, Tower Place,
London EC3P 3BE
Telephone: 01-283 3100
Telex 888321

Tickets are
on sale at
www.bowring.com

WILL TOMORROW'S BRAIN DRAIN LEAVE BRITAIN IN THE GUTTER?

In tomorrow's issue, Europa publishes the results of a recent survey on the attitudes and ambitions of Europe's young generation.

Europa investigates the particular willingness of Britain's youth to move round Europe for career opportunities and how we could lose much of our bright young talent to France, Italy and Germany.

Europa also looks at today's personnel managers and their influence and importance in the company boardroom.

In addition to his previous tasks, the personnel manager must now "act as an adviser to top management, be a mediator in tense situations, and adapt the company's social strategy to its other key policies."

Finally, the attempts made to build a European Monetary Union are discussed and analysed by David Blake, while Alain Cotta, Professor at Dauphine University in Paris, asks the question as to whether Keynesian economics have now become Dickensian.

Published on the first Tuesday of every month, under the editorship of Jacqueline Grapin, Europa deals with economic, financial and industrial affairs and allied social questions, as they effect the total European business community.

Europa is written by the most respected writers in Europe and is published simultaneously with the newspapers they represent: The Times, Le Monde, La Stampa and Die Welt. Articles are up-to-date and translated into the mother tongue immediately before publication in each of the four countries.

Altogether, Europa is a unique newspaper, the only one written exclusively for, and by, Europeans.

Make sure you read it by buying The Times tomorrow.

Le Monde
LA STAMPA
THE TIMES
DIE WELT
Europa

The first truly European newspaper.

A Times Profile

The man who is trying to save Venice

Sir Ashley Clark is known widely in Venice as the Englishman who is doing his best to save the city. If Venetians seem to regard this as a quixotic mission, and to leave him to get on with it alone with the government in Rome, Unesco, and anyone else who wants to have a try, they nevertheless respect his efforts and his presence.

He is the vice-chairman of Venice in peril and among the 30 or so committees in different countries dedicated to saving Venice from death by flood and pollution, he is the only official who lives there all the time to carry on the work. He has dedicated these years to Venice after a career in the diplomatic service, ending with the unusually long period of nine years as ambassador to Italy.

On his mission to Venice, Sir Ashley says: "Venice is unique, and it's absolutely essential to save it. It contains a concentration of European history, and particularly in architecture and art, from the eleventh century onwards."

His efforts are directed at both the particular and the general. He spends his time directing work on the restoration projects while Venice in Peril has undertaken, and also lobbying on the larger issues of the legislation to check the pollution of the water and air that is eroding buildings and statues; measures to halt subsidence of the city; and the vast schemes to prevent further flooding.

"The reason why most of the money allocated for Venice hasn't been spent is that one has to go through so many bureaucrats before to do anything," he says. "The bureaucracy is fantastic. It's not surprising that some people just give up. Then there's the matter of party politics, of jobs for the boys. But things are happening."

Sir Ashley is an active member of the Venetians' committee for Venice, and knows everyone connected with the issues, but he devotes a lot of time to pressing forward the individual projects that Venice in Peril has organized. One a six-year test that is now nearly completed is the restoration of the Church of San Nicolo dei Frondosi, the second oldest church in Venice, ruined by floodwaters and dirt. Another is the restoration of the ornate Porta della Carta, the entrance to the Doge's Palace, and its stonework.

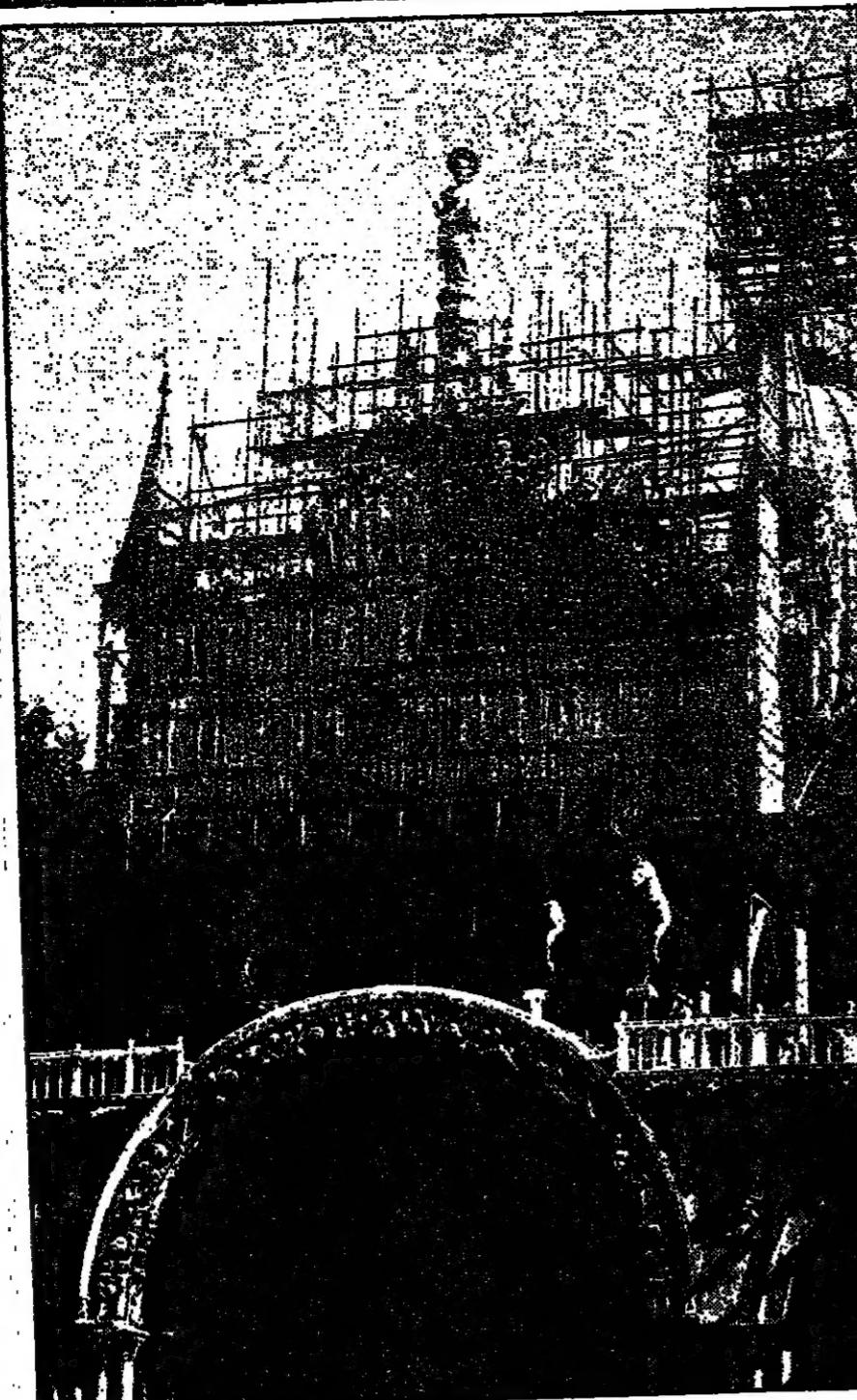
"A large part of my time," Sir Ashley says, "is spent simply reminding people of things. I'll telephone a contractor and say, 'Do you remember that it's very important to get that board fitted in there right away?'"

"Yes, I remember." "Have you done it?" "I did." "Good." That was the Italian Art and the kind he means.

Sir Ashley went to Venice to see what could easily be done there. He had dinner with restauranteur Francesco Valenover, who was then superintendent of Galleries and Works of Art. Dr Valenover said that what they needed badly was a laboratory where they could restore the very big paintings which are characteristic of Venetian art. So a laboratory was created under the direction of Venice in Peril, and among other pictures, two Titianos measuring 30 feet by 18 feet were restored there.

Sir Ashley had decided by this time that the only way to keep up the momentum of his Venice in Peril work was to be on the spot, so he took it up as a full time job, albeit part-time, and one.

"The basic problem is that Venice is sinking. The first problem is that Venice is sinking. The second is pollution, industrial pollution and the fumes from the reservoir and the oil central heating and also ordinary pollution—Venice doesn't have a proper sewage system. The third is that the waters come in from the lagoon and flood the city, sometimes badly, sometimes disastrously. And the fourth problem is that people are leaving the city, particularly young people."



St Mark's, with its last three golden horses.

Its cultural treasures even more than it did Venice. Franco Zeffirelli has given a lot of time to pressing forward the individual projects that Venice in Peril has organized. One a six-year test that is now nearly completed is the restoration of the Church of San Nicolo dei Frondosi, the second oldest church in Venice, ruined by floodwaters and dirt. Another is the restoration of the ornate Porta della Carta, the entrance to the Doge's Palace, and its stonework.

"Count Volpi got the idea in 1917 that he would establish industry on the mainland, and provide some extra income and employment for Venice. But he had no idea that it would become such a big thing. Then the second industrial zone was established after the war. Thank God they've stopped the plan for a third industrial zone."

"Industry has been pumping water out of the ground, from under Venice, which has been increasing the rate of subsidence, it's also been polluting the waters, and changing really the character of the lagoon."

"Now they've built aqueducts to bring water from the rivers, and they've said the canals are a problem to get the canals to obey the law, but they are doing it. A law has been passed on pollution. The pollution of the water and the air is being monitored, and it's showing some improvement."

"Now the Venice authorities are holding an international competition to control the waters that come into and out of the lagoon. The idea is to have some kind of a moveable barrage across the entrances to the lagoon, which would be raised when there's a flood warning. The trouble with this is that you need a constant flow of water into and out of Venice to clear the waters of sewage. Without a proper sewage system, if you blocked the entrance to the lagoon, the situation inside the city would become intolerable after a very short time."

"He has no doubt about the rewards of his work. "It's seeing something accomplished. I can look at something like the Church of San Nicolo and see what has been achieved."

"I spent nearly 40 years as a diplomat, and in diplomacy, you don't see any tangible result. In fact, very often, you know you've succeeded when something doesn't happen. The work I'm doing here has tangible rewards."

Norman Moss

Lord Salisbury and the honours scramble

On January 13, 1887 Queen Victoria noted in her journal yet another of the changes in the routine of the Salisbury government that followed the pre-emptive resignation of Lord Randolph Churchill as Chancellor of the Exchequer and the installation of the more moderate but worthy gentleman, W. H. Smith, in his place as leader of the House of Commons. "Lord Salisbury said he meant to give Mr. Smith all the necessary assistance,"

Despite what seemed at the time a sensible division of labour, there must have been maxims during the next few months when a harassed and often vexed Prime Minister wished he had given Smith jurisdiction over the latter matter as well. As George Taubman Goldie, founder of the Royal Niger Company, wrote to the Earl of Lathom, "Lord Chamberlain 'Everyone ed over British territories expects to secure some honour in Jubilee year.'

Goldie was quite right to suggest that the level of expectations about honours was exceedingly high in 1887, but it would be wrong to think it was solely due to the Golden Jubilee of the Queen. In fact these expectations had been growing steadily for years. The result of new wealth, an imperial regime and political instability, all of which produced a good deal of stress and the clear beginnings of change in the existing system. The Jubilee assisted this development to some extent, but the long columns of names of the newly-decorated and ennobled which were published on Jubilee Day did not initiate it.

To the Marquess of Salisbury, very much a believer in the small and highly-select honours system initiated by Sir Robert Peel, and based largely on considerations of merit, the changes at hand were quickly appealing. Reassured by literally dozens of begging letters from gentlemen who even 10 years before would never have dared to write, he seems to have taken no comfort from the knowledge that there was an impersonal and long term trend at work and instead resolved to stand against the times and keep things as near to what they had always been as possible. But this was not to be easy.

The advent of empire had, for instance, changed the honours system permanently, pointing the way to the future. The

upon a dissolution of Parliament or change of government there would be an honours list, mainly hereditary awards and knighthoods.

In the halcyon period of mid-Victorian stability this custom had little effect in increasing the number of hereditary honours. Between 1858 and 1885 there were only three ministries. But then came the sea change largely due to the squabbles about Irish Home Rule: between 1885 and 1886 there were also three ministries, all of which produced complete honours lists, partly as large as they were because of the need to reward heavy contributors to party funds.

Salisbury found the entire situation most alarming since the end result threatened to be an honour system of "no damned merit about it", a delightful phrase Lord Minto once used.

Thus when he came to draw up the Jubilee honours list he did so with a mind towards keeping people off rather than putting them on.

And when he chanced to be Prime Minister again at the time of the Diamond Jubilee in 1897 he took considerable pleasure in reducing the number of names sent to the Queen.

The valuable dia Sir Edward Hamilton reported that his friend Sir Horace Farquhar expected a peerage in recognition of the large amounts of money he had subscribed to the Unionist party, hence the confident he had given more than an "accepted tariff". However, he found such claims in a period of political stability did not carry the weight they had carried 10 years before. Thus Salisbury was able to make fewer recommendations for hereditary awards at the time of the Diamond Jubilee than he had on the occasion of its predecessor, and Sir Horace was not among them.

Between these two orders alone nearly 300 new titles of knighthood had been created, and while in practice some gentlemen might hold places in two and more rarely three orders simultaneously (and some might be peers), it was undeniable that the creation of new honours was very large.

The sort of change that was occurring in relation to the knighthood orders was taking place, too, with regard to the hereditary honours. But like the unstable political situation was at least partly to blame. By the eighties it was established practice that

CONTRACTS AND TENDERS

DEMOCRATIC AND POPULAR REPUBLIC OF ALGERIA

Ministry of Hydraulic Engineering,
Land Development and the Environment
Directorate of Hydraulic Engineering

INTERNATIONAL INVITATION TO TENDER

International tenders are invited for the detailed preliminary planning work for the dam to be built on the Oued-Rhumeil at Hammam-Grotta (Commune of Oued-Rhumeil, Wilaya of Constantine).

Interested firms of consulting engineers may obtain tender specifications from

Direction des Projets et Réalisations
Hydrauliques
Oasis - St. Charles
B.P. 34 - Birmandreis - Algiers.

Tenders should be deposited with or sent to the above address before 5 p.m. on 28th January, 1978. Bidders will be bound by their tenders for a period of 120 days.

MISCELLANEOUS FINANCIAL

TENDERS FOR GREATER LONDON BILLS

The Greater London Council has invited tenders for the payment of the following bills:

1. The Greater London Council has invited tenders for the payment of the following bills:

2. The Greater London Council has invited tenders for the payment of the following bills:

3. The Greater London Council has invited tenders for the payment of the following bills:

4. The Greater London Council has invited tenders for the payment of the following bills:

5. The Greater London Council has invited tenders for the payment of the following bills:

6. The Greater London Council has invited tenders for the payment of the following bills:

7. The Greater London Council has invited tenders for the payment of the following bills:

8. The Greater London Council has invited tenders for the payment of the following bills:

9. The Greater London Council has invited tenders for the payment of the following bills:

10. The Greater London Council has invited tenders for the payment of the following bills:

11. The Greater London Council has invited tenders for the payment of the following bills:

12. The Greater London Council has invited tenders for the payment of the following bills:

13. The Greater London Council has invited tenders for the payment of the following bills:

14. The Greater London Council has invited tenders for the payment of the following bills:

15. The Greater London Council has invited tenders for the payment of the following bills:

16. The Greater London Council has invited tenders for the payment of the following bills:

17. The Greater London Council has invited tenders for the payment of the following bills:

18. The Greater London Council has invited tenders for the payment of the following bills:

19. The Greater London Council has invited tenders for the payment of the following bills:

20. The Greater London Council has invited tenders for the payment of the following bills:

21. The Greater London Council has invited tenders for the payment of the following bills:

22. The Greater London Council has invited tenders for the payment of the following bills:

23. The Greater London Council has invited tenders for the payment of the following bills:

24. The Greater London Council has invited tenders for the payment of the following bills:

25. The Greater London Council has invited tenders for the payment of the following bills:

26. The Greater London Council has invited tenders for the payment of the following bills:

27. The Greater London Council has invited tenders for the payment of the following bills:

28. The Greater London Council has invited tenders for the payment of the following bills:

29. The Greater London Council has invited tenders for the payment of the following bills:

30. The Greater London Council has invited tenders for the payment of the following bills:

31. The Greater London Council has invited tenders for the payment of the following bills:

32. The Greater London Council has invited tenders for the payment of the following bills:

33. The Greater London Council has invited tenders for the payment of the following bills:

34. The Greater London Council has invited tenders for the payment of the following bills:

35. The Greater London Council has invited tenders for the payment of the following bills:

36. The Greater London Council has invited tenders for the payment of the following bills:

37. The Greater London Council has invited tenders for the payment of the following bills:

38. The Greater London Council has invited tenders for the payment of the following bills:

39. The Greater London Council has invited tenders for the payment of the following bills:

40. The Greater London Council has invited tenders for the payment of the following bills:

41. The Greater London Council has invited tenders for the payment of the following bills:

42. The Greater London Council has invited tenders for the payment of the following bills:

43. The Greater London Council has invited tenders for the payment of the following bills:

44. The Greater London Council has invited tenders for the payment of the following bills:

45. The Greater London Council has invited tenders for the payment of the following bills:

46. The Greater London Council has invited tenders for the payment of the following bills:

47. The Greater London Council has invited tenders for the payment of the following bills:

48. The Greater London Council has invited tenders for the payment of the following bills:

49. The Greater London Council has invited tenders for the payment of the following bills:

50. The Greater London Council has invited tenders for the payment of the following bills:

51. The Greater London Council has invited tenders for the payment of the following bills:

52. The Greater London Council has invited tenders for the payment of the following bills:

53. The Greater London Council has invited tenders for the payment of the following bills:

54. The Greater London Council has invited tenders for the payment of the following bills:

55. The Greater London Council has invited tenders for the payment of the following bills:

56. The Greater London Council has invited tenders for the payment of the following bills:

57. The Greater London Council has invited tenders for the payment of the following bills:

58. The Greater London Council has invited tenders for the payment of the following bills:

59. The Greater London Council has invited tenders for the payment of the following bills:

60. The Greater London Council has invited tenders for the payment of the following bills:

61. The Greater London Council has invited tenders for the payment of the following bills:

62. The Greater London Council has invited tenders for the payment of the following bills:

63. The Greater London Council has invited tenders for the payment of the following bills:

64. The Greater London Council has invited tenders for the payment of the following bills:

65. The Greater London Council has invited tenders for the payment of the following bills:

66. The Greater London Council has invited tenders for the payment of the following bills:

67. The Greater London Council has invited tenders for the payment of the following bills:

68. The Greater London Council has invited tenders for the payment of the following bills:

69. The Greater London Council has invited tenders for the payment of the following bills:

70. The Greater London Council has invited

MANAGEMENT

Edited by Rodney Cowton

Learning how to do business with the Chinese

With yesterday's end to the British visit of China's top-level trade delegation led by Mr Li Chiang, Peking's Foreign Trade Minister, one message is loud and clear. Sino-British trade is pressing for attention.

But there are some important questions to be answered first. Which sections of British business are most likely to benefit? What are the opportunities for the smaller manufacturers outside the big league circle of British Steel, British Railways, British Aerospace and the chemical giants?

Further, while the buying of large plants or technology can be dealt with by the exchange of technical missions, how should these smaller businesses tackle exports to China?

The obvious point to make about the People's Republic of China is the name of the country. And what help is available to track down these needs? Much detail on marketing possibilities can be obtained from the Department of Trade. The Sino-British Trade Council in London also maintains a series of market research reports including sector studies.

Generally speaking it is the chief technologies—transport, power generation, oil and its related activities, chemicals, electronics, mining, construction equipment and the like—



Peking trade delegation leader Mr Li Chiang (right), the Chinese Minister of Foreign Trade, with Mr Sung Chih-Kuang, China's ambassador in London, and Lord Oram of the Department of Trade at the start of the mission's visit last week.

which offer the principal opportunities.

Medium-sized and smaller British companies could find Chinese interest in specialized scientific instruments, non-electric and electrical machinery, synthetic organic dyes, and synthetic fibres areas.

All these product areas figure prominently in British exports to China in the first nine months of this year. Food processing equipment and packaging are also listed.

Last week Mr Li made it clear, too, that his country wanted to import large quantities of coal mining machinery, British mining equipment is already in use in China.

In their trade deals the Chinese insist on fixed price contracts with no escalation clauses. Given the new insurance cover by the Export Credits Guarantee Department for companies working on such contracts, and Britain's falling inflation rate, exports to China

are proving an increasingly attractive proposition.

For most would-be exporters to China the first approach has to be to one of the various state corporations—there are nearly twenty—which look after the various industrial and commercial sectors. These range from the China National Technical Import Corporation, which looks after complete plants, to those catering for light industrial products, publications and films.

The main advice is to send the appropriate corporation a full technical description of the goods, and their technology—in English. If it fits an immediate and special need there might be an early order, at which point the commercial section of the Chinese Embassy in London would probably come into the picture because they are on the spot.

Only important contracts are likely to involve an exchange of technical advisers between the countries and a visit to China would be invitation.

But the process, judging by past experience, could equally take several years. As in many overseas countries, China has proved a market where persistence pays.

The majority of business is done on a normal letters of credit basis.

There is one way of cementing more personal relations in China and by which many British businessmen have set great store. This is by attending the spring and autumn fairs at Kowloon and the former Canton Fair—which is a shop window for Chinese goods. All the main Chinese corporations are represented at the fairs.

Entry visas to China for these fairs are easier to obtain than other entry permits. And once at the shows a businessman with export as well as import intentions could well find his hands full.

Derek Harris

Mounting the attack on a £45m building

As the tallest solid structure in Britain, the National Westminster tower in the City of London has inevitably caught the public eye. Not far away in Leman Street, Whitechapel, though, another of the bank's developments—a £5m management services centre—is taking shape generally unremarked.

The centre, built to house clearing and data processing operations, may not be a record breaker in terms of size, but in speed of construction, it is unusual. Indeed, Mr Edwin Phillips, chairman of Higgs and Hill, the contractors, says that it is one of the fastest growing projects under construction in the United Kingdom.

Since building began almost two years ago, turnover has been approaching £2m a month and in one fortnightly valuation period £1.8m of work was done. Some 500,000 sq ft were topped out this summer, after four million bricks, 170 miles of scaffolding and 65,000 cubic yards of concrete had been used.

NatWest is confidently

expected to be able to start installing computers as planned in January, and the centre is expected to be fully operational on schedule in July.

Not an hour has been lost through labour stoppages on the site, where 600 people—besides Higgs and Hill's 60 staff—are at work, against a peak of 1,100 last year.

No labour has been engaged "on site" and there is a full-time labour relations officer. But Mr Brian Hill, managing director, explained that this had been achieved by ensuring as far as possible that nothing should be allowed to affect the men's ability to get on with their jobs.

"Delays mean that people are unable to earn their money and, frequently, that's when the trouble starts," he said.

For Higgs and Hill, the Leman Street contract is, by value, the biggest ever, and one of the most technically complicated. It has, for instance, been provided with five generators and 13 substations which make it more than self-

sufficient in electricity.

Altogether, mechanical services costing about £18m will be incorporated in the centre. Specialist subcontractors—British, continental and American—number about 120.

"Network analysis" techniques were used to find the most efficient scheduling of different phases and the programmes drawn up in 1975 have been substantially adhered to. Tasks were scheduled according to two-week cycle targets and Saturdays were set aside to meet slippages.

One of the earliest decisions was to divide the site in two. The operations block and the ancillary block, which comprise the centre, have been treated largely as separate projects with their own management structures and store colour codes. Borrowing either

is an industry where "getting it in writing" is important, but often time-consuming, the system acts as an early warning of potential problems and a fast way of achieving design alterations and decisions.

Strenuous efforts were also made to ensure that work would not be delayed for want of materials. Suppliers and subcontractors were asked to have materials on site eight weeks before the programme indicated they would be needed. Stocks were stored in large underground vaults, a welcome legacy of the goods yards which once occupied the site.

John Husley

INTERIM RESULTS

Racial half-year profits rise 68% to £19,398,000

ANNUAL PROFIT BEFORE TAX	
1974	£ 6,247,000
1975	£ 9,559,000
1976	£19,646,000
1977	£32,714,000
1978	IN EXCESS OF £45,000,000

The Directors of Racial Electronics Limited are pleased to announce that the unaudited pre-tax net profit for the half-year ended 30th September 1977 amounted to £19,398,000 (1976 £11,524,000).

In the absence of unforeseen circumstances, the profit before tax for the year ending 31st March 1978 will be in excess of £45,000,000.



1977

Eight Queen's Awards in Eight Years

RACIAL

Racial Electronics Limited, Western Road, Bracknell, Berkshire RG12 1RG, England

LETTERS TO THE EDITOR

Seeking a better balance in EEC textile market

From Mr C. M. D. Roberts

Sir, We are grateful to the Bishop of Hongkong and the Macao for bringing to our notice the points made in the open letter (November 29) to governments and churches in Europe about the EEC's position in the bilateral negotiations under the Gar Multi-Fibre Arrangement (MFA).

May I bring to his notice some points not made in his letter:

(a) Macao has now reached agreement with the EEC on terms which will greatly benefit traders in Macao.

(b) In 1976 out of all imports of clothing from developing countries into the United Kingdom 62 per cent came from Hongkong.

(c) Between them, Hongkong, South Korea and Taiwan accounted for 80 per cent of the United Kingdom's clothing imports from developing countries—leaving only 20 per cent for the multitude of other emerging nations, most of them at a much lower stage of development than Hongkong.

(d) EEC imports of textiles have grown by 80 per cent by weight between 1973 and 1976—that is more than 15 per cent per annum during a period of declining demand in 1975/76.

(e) The EEC demands six times more of its national "income per head" on imported textiles than does the United States and over double that of the USSR.

The will to continue to assist in the development of the Third World is unabated in

Europe but we cannot do this alone. Unless there is a slowing down in the high rate of penetration into the EEC by imports from the developing countries that has occurred unabated during the present MFA (far in excess of what was intended) the textile industries in Europe could be eliminated.

This would only result in a reduction in the worldwide creation of wealth to the detriment of everyone, including the developing countries.

What the EEC is seeking is a balance of opportunities for all and in an effort to achieve this it is not unreasonable to ask the major exporters for which Hongkong is the largest, who have enjoyed unprecedented growth during the past four years to move over and allow the poorer, less developed nations "a share of the cake". A cake that will have a guaranteed annual increase which in times of depressed demand in the EEC can only result in increasing unemployment in the textile and clothing industries in its member countries.

With respect my Lord Bishop, charity must now be done at home—we honestly believe that we have set a splendid example over here.

Yours faithfully,

C. M. D. ROBERTS,

Chairman,

Wool Textile Delegation,

Lloyd's Bank Chambers,

Huslergate,

Bradford BD1 1PE.

Yorkshire.

December 1.

Shortage of commercial court judges

From Mr D. Waller

Sir, Some time last year your columns highlighted the shortage of judges to try the ever increasing backlog of cases. The situation is now affecting, curiously enough, our balance of payments. I refer to the pile-up of untried fixtures in the commercial court list.

As you are aware, international commerce much favours our commercial judges for speed and competence. In turn the number of foreign companies who pay to have their litigation tried in this country contribute a great deal of foreign currency in the form of costs, hotel bills and the like, running into millions per year. We now have the spectacle of Her Majesty's judges of the commercial court being sent off to the Old Bailey, whilst long standing fixtures involving millions of pounds are left high and dry.

No wonder foreign litigants are beginning to wonder if their choice of venue is the correct one after all.

Beeching's recommendations and the cutting back of High Court judges are in direct contrast. Any competent recorder-appointed deputy High Court judge could try the more serious criminal cases, leaving the properly qualified specialist judges to try the complicated cases they were appointed so to do.

In a recent application for a stand-over fixture to be re-fixed, Mr Justice Donaldson said that next term he has already 296 working days of fixtures to deal with, but only 184 judge days to try them.

This is without taking into account any cases spilling over into next term, unfinished, and present fixtures as yet untried. The summer term shows 393 trial days to 280 judge days.

This situation is ripe in every civil division of the High Court, be it London or the provinces. Has the higher echelon of the legal executive completely lost its way?

Yours faithfully,

D. WALLER,

1 Brick Court,

Temple, EC4.

November 23.

Rating derelict land

From Mr R. C. Grinham

Sir, Professor Michael Chisholm (November 24) has hit the nail on the head when he suggests that the reason why large areas of potentially valuable land remain derelict has

something to do with the fact that such land is currently exempt from rating. In those cities of the world where land is rated, whether developed or not, the tendency is for land to be developed, and idle land on the scale to be found in British cities is not known.

Nothing would more quickly result in idle land being put to productive use than the introduction of a rate on idle sites.

Apart from the aesthetic and environmental benefit, such a measure would go a long way to alleviating the present shortage of houses by stimulating building on the thousands of acres of land on which outline planning permission has been obtained for housing but which still remain un-developed.

Yours faithfully,

R. C. GRINHAM,

Secretary,

Rating Reform Campaign,

17 Vauxhall Bridge Road,

London, SW1.

November 25.

Sickness and self-employed

From the Secretary, Brent Chamber of Commerce

Sir, Mr Ryan's letter (November 25) repeats the fallacy that the self-employed are not eligible for sickness benefit.

Unfortunately, this misconception is shared by many who, accordingly, fail to claim their just rights, and one would ask the Ministry of Social Security to give wider publicity to the fact that the self-employed are entitled to claim sickness benefit.

Yours faithfully,

RICHARD GORMLEY,

55 Lichfield Road,

London, SE6.

November 24.

SPOONER INDUSTRIES LIMITED

SUMMARY OF RESULTS

Year ended 30th September	1977	1976
Turnover	£ 10,101,000	£ 9,427,000
Profit before taxation*	825,432	489,284
Earnings per share*	9.53p	5.58p
Dividends per share	2.641p	2.365p

*Before exchange losses (1976: profits)

1976/77 was a successful year's trading resulting in the highest profits in the history

BY THE FINANCIAL EDITOR

Signs of action on nationalization cash

In a little-publicized answer to a question in the House of Lords on November 17, the Government indicated that it will make an interim compensation payment in January to companies whose shipbuilding or aircraft interests have been nationalized. Further interim payments could be made, if necessary.

This payment, of course, will be without prejudice to the eventual outcome either of negotiations between the Government's accountants, Whinney Murray, and shareholders' representatives who have been appointed by the companies, or of the arbitration procedure which will be brought into operation if negotiation fails.

So, apart from getting useful payments in account, the companies involved should also get a fair idea of the minimum total they will receive. The snag, though, is that shareholders may remain in the dark for some time to come.

For although the companies will know the basis on which the payments are being made, they and the Government will want to keep all details secret until negotiations are concluded.

The January payments are in fact expected to be around three-quarters of the Whinney Murray valuation but there is really no clue as to what this will be yet. Their reception by the market will depend on how they measure up to outside estimates of total compensation which have been made using the arbitration formula. This treats the companies as if they had been quoted prior to the announcement of the Government's nationalization plans.

And it is still far from clear what many of the groups are going to do with the money when they get it.

Hawker Siddeley has already received around £50m from the repayment of loans and is now, if anything, slightly underfunded. Certainly the company itself would be happy to have a ratio of 2:1 of capital employed to loans, which gives it getting on for £200m to spend on acquisitions, if it should want to. With these funds available whether it gets another £20m or £60m from compensation will not radically alter the group's strategy, though the right kind of acquisitions are clearly difficult to find at the right price, a fact that Laird Group, for example, which must expect around £10m or both its aircraft and shipbuilding interests, has had to recognize with the failure of its offer for Charrington.

GEC, which, of course, has plenty of cash anyway, is really too large to be radically affected by its share of compensation from BAC. Vickers will suffer more by losing its share of BAC earnings and it has already spent considerable resources prior to nationalization in an attempt to build up other activities. Whether Vickers gets £40m or £100m, then, will clearly affect its strategy from now on—and its share price.

An intriguing possibility is still presented by Vosper, which is controlled by David Brown. It has built up a 21 per cent stake in the announcement of nationalization in fellow warship maker, Yarrow.

With the major payments being made to all companies in January—probably in similar form to the 9½ per cent Treasury 1981 stock issued for the quoted stocks of Robt Caledon and John Kincaid in June—the urgency for companies to say what they are going to do with the compensation is growing.

For the Government will clearly want to set its negotiations tied up before the whole process down, there could be reason to hope for compensation terms which are rather more generous than many people had come to expect.

Diesels

Two British component makers

So far there has been little excitement in British Automotive diesel engine production mainly because of the sluggish truck and tractor markets and the reduction of the incentive to buy car diesels for fuel economy due to the slightly higher price of the fuel relative to petrol.

Even so the attractions of increased mpg for the high mileage business car user are prompting Ford to introduce a diesel Granada next year while British Leyland seems to be ready with a diesel Princess, though penetration into the volume end of the market must be a long way off.

So the real prospects are abroad and the British beneficiaries are likely to be the diesel component makers.

Business Diary in Europe: A reluctant consumer champion?

Douglas Hurd MP, director of the British section of the European League for Economic Co-operation, is delighted that he has attracted Richard Burke, the Irish European Commissioner, with responsibility for consumer affairs, to give his first major speech in London at their conference this week.

It will be interesting to see what impression the commissioner makes. Since his arrival in Brussels, succeeding Dr Hillery, now his country's president, Burke has been trying to live down an unfavorable reputation which preceded him.

Coming from the clerical right-wing of the Fine Gael, Burke was a personal appointment to the Brussels job by his close friend Liam Cosgrave, the former prime minister, whose subsequent heavy defeat in a

general election has since dictated a return to the back-benches.

One way in which Burke had ingratiated himself with the former Taoiseach was by joining him in voting against a bill brought forward by the coalition government of which they were members in 1974 to legalize the sale of contraceptives to married couples.

In the night-long haggle over which commissioner was to have what job, Burke is generally agreed to have emerged a hopeless loser. He might have liked foreign affairs, or agriculture would have provided a useful springboard for his intended return to his own country's politics, but he ended up with a ragbag including taxation, transport, consumer affairs, and relations with the European Parliament. Consumerists have not found Burke a convincing champion thus far. At a conference in Dublin in September the commissioner, formerly an ultra-conservative minister of Education in Ireland, found himself sharply criticized for saying that consumer education was "undesirable" in primary schools.

A rather stiff and pompous speaker, Burke's lack of commitment to consumer affairs hardly presages an inspiring speech on Thursday morning at the Café Royal. Suggestions that his change of job, which is regarded as a promotion, has anything to do

with those of another. We British, for example, do not have a national interprofessional body uniting both solicitors and barristers. The Italians have no less than 200 legal associations of one kind or another.

What the assembled consumerists will want to hear is

Richard Burke

حذا عن الصل

Hugh Stephenson

Imperfections in the investment market

As every schoolboy knows, a local authority defaulted on a loan recently— that is West Ham in the 1920s. No one can remember the last time that the British Government so defaulted, for the perfectly good reason that it never has.

It is possible that the international investment community, despite this long record, thinks that some Euro-sterling-based borrower, like the European Coal and Steel Community, has a better credit rating than the British Government, though it is not immediately obvious why.

It is, however, not clear why a wholly domestic private sector institution, like Finance for Industry or Fisons or Courtaulds can raise money via the Euro-sterling market more cheaply than the Government.

One should, of course, be happy for these companies to have been offered cheap, internationally-subscribed issues in sterling. Let us

hope that it is a welcome sign that the longer-term fixed-interest debt market for British companies may be restored to its past glory.

Looked at from the point of view of the lender, however, it cannot be logical that someone who has decided, for whatever personal reasons, to invest at fixed interest in sterling should put money into a private sector company for less return than is freely available even now from government-subsidized securities.

No one knows the size of this tapable pool of Euro-sterling, though it is probably larger given the right terms than many suspect. The government itself might be tempted to borrow from it at effective rates even less than British companies get were it not for the fact that such borrowings would do nothing to keep the sterling money supply under the sort of control that is now being agreed with the team from the International Monetary Fund.

Much is made of the fact that the

instruments sold in this Euro-sterling market are totally anonymous bearer bonds, attractive to the most coy holder of sterling. It is, however, difficult to believe that Swiss banks or other nominees could not achieve the same sort of service for clients, while earning a larger rate of return and even greater security from the British Government.

It seems in fact that an extra-ordinarily imperfect market is being operated against those foreigners who, for whatever reason, want to invest at the moment at fixed interest in sterling securities.

And it is difficult to avoid the conclusion that the main reason lies in the commission structure for those who have the placing power in this newly reborn Euro-sterling market, among them the principal Swiss banks. Those acting with discretion or as brokers get more for putting their clients into EFT than into war loans, even if their clients get less.

The revived Euro-sterling market is a clear bonus for those able and willing to tap it. It is relatively cheap and does not impose many of the sort of obligations that tends to attach to other kinds of fixed interest borrowing. This only serves to underline another imperfection in the existing market.

For, if A-grade British companies or institutions can borrow in the Euro-sterling market cheaper than the British Government can itself borrow, sterling domestically, even such companies are unable to borrow in the United Kingdom at anything like the rate available to the British Government.

The main reason is that the market has decided, almost as an administrative measure, that the rating of local authorities will be substantially worse than that of the Government—and that even the best companies must rank after the worst local authorities.

Melvyn Westlake reports on prospects after the failure of the North-South commodity talks

A fund of ill will in search of conciliation

It is unlikely to prove the end of the road for these negotiations... But what has caused particular resentment among the Third World countries is a belief that the rich nations are now going back on promises made to them last summer during the North-South dialogue in Paris

resentment among the Third World countries is a belief that the rich nations are now going back on promises made to them last summer during the North-South dialogue in Paris.

Part of the motive for the Third World's move to get the Geneva conference suspended was their view that at each conference the developed countries appear to be making concessions which they try to wriggle out of in the early stages of succeeding negotiations.

Another source of bitterness is what is seen as the low rank of negotiators deployed by many of the rich nations, which is thought to reflect the low level of priority given by them to the commodity talks. Many of the Third World countries were employing their permanent United Nations ambassadors.

By contrast, the United States permanent ambassador was rarely to be seen. Instead, the chief American negotiator was a more junior official from the State Department. In contrast, the Third World's permanent ambassador was also a good deal less prominent than the more junior Mr Gordon Barrass.

Perhaps this partly accounted for the resounding approval given by the developing countries in plenary to Mr Jan Pronk, the Dutch Minister for Overseas Development and the only minister from the rich nations who attended any part of the month-long conference.

The question is now, where do we go from here? The developing nations have threatened to "go it alone" and set up their own Common Fund. But it is hard to see how this could ever be really successful without the financial help and moral support of the developed countries.

On the other hand, a Third World Common Fund could certainly have a worrying disruptive influence on world markets in the short-term even if it ultimately failed in its objective of controlling prices. Arguably, it would be better for the rich nations to have some control over its activities, even if it was different in kind to the institution they would prefer.

Moreover, a worsening of relations between developed and developing countries will make it still harder to deal with other, and possibly more serious, problems such as those of commodity price regulation, notably the dramatic fall in the level of new investment in raw material production. This threatens to cause great scarcity and high prices when the world economy picks up.

Both Herr Helmut Schmidt, the West German Chancellor, and Mr Edmund Dell, the British Secretary of State for Trade, have given warnings recently about this danger. It is a problem that cannot be neglected for long, and it would be short-sighted for the rich nations to delay a solution in this area because of a single-minded preoccupation with the nuts and bolts of a Common Fund.

HERMAN SMITH LIMITED

The following is an extract from the circulated statement of the Chairman and Managing Director, Mr. Herman G. Smith:

The trading profit for the year ended 30th June 1977 was £50,174, subject only to tax, which compares with £238,609 for the previous year. The value of direct exports from the U.K. increased by 41% to £356,304. All the operating subsidiaries of your Group encountered severely adverse trading conditions and, regrettably, it was necessary to match lower levels of work load with a reduction in our work force of 23%. The financial cost of this was substantial and is included in the accounts.

HERMAN SMITH (MACHINING) and HERMAN SMITH (AERO SERVICES) have become progressively interwoven in their activities and it has been decided to amalgamate them into a new, wholly owned, subsidiary company, Herman Smith (Precision Engineers). Orders and delivery programmes have shown a substantially improved trend in recent months. I believe that the improvement will continue and expect better results this year.

HERMAN SMITH (ELECTRICAL ENGINEERS) has shown an improvement. Aggressive marketing has improved the level of contracts on hand, despite fierce competition.

HERMAN SMITH (SPECIAL PRODUCTS) operated as a self-contained unit designing, manufacturing and selling our own range of in-flight catering equipment to airlines throughout the world. Trading results were satisfactory but competition for available business is particularly intense.

HERMAN SMITH (PRESSWORK) achieved reasonable results in view of the slack demand in the autumn of 1976. Prospects for the current year are encouraging.

GENERAL TRADE. The difficulties of the year have been contained and profits of £94,112 earned in the second half. The forward order position and prospects of your Group have improved and I feel sure that your Group will show improved results this year.

Copies of the Report can be obtained from the Secretary, Cinderbank Works, Dudley, West Midlands DY3 9AH.



David Edward at the weekend

with the frustration of his more visionary monetary schemes are discounted. No names have yet been mentioned for his replacement.

David Edward, a 43-year-old Scottish advocate (barrister) who becomes next month the first British president of the Conservative Committee of the Bars and Law Societies of the European Community.

This is the link between solicitors and barristers throughout the community and between them and Brussels. Edward, who is also by far the youngest man to assume the presidency, succeeds Frenchman Albert Bruno.

Edward drew up CCBE's delightfully named Declaration of Perugia, which was made public in September (in Liège for reasons best known to the CCBE).

The declaration enunciates the principles of professional conduct upon which the many lawyers' associations of the nine could erect a code of practice to which all could subscribe.

It's not as simple as getting one country's lawyers to agree with those of another. We British, for example, do not have a national interprofessional body uniting both solicitors and barristers. The Italians have no less than 200 legal associations of one kind or another.

The West German motor industry is to have a new chief lobbyist from the beginning of April next year when Horst Backhausen (57), at present a member of the Volkswagen

Industry in the regions

Aberdeen penalized for success in the oil-related business

Despite the onset of winter due to last for at least seven if not a full eight months in North-east Scotland, Aberdeen is still basking in the glow of this autumn's Offshore Europe exhibition where a tidy £50m worth of business was done inside four days—with the prospects of total contracts placed expected to be £200m over the next few months.

Although the contracts will be spread, world-wide oil-related firms which now number 420 in Grampian Region, that wedge of North-east Scotland between Aberdeen and Inverness, would certainly have taken orders worth many millions, adding hard cash to Aberdeen's warm after-glow brought about by concentrated attention from the world's most powerful energy business.

Offshore oil as is commonly and correctly recognized has transformed the economic face of the Region and its capital city providing a seemingly ever-expanding demand for near-hands services and skills, a magnet drawing companies into the area to see that demand as well as encouragement for local industry to diversify into the oil world, and in the process turning a sluggish regional economy into an expanding one.

A full service and administrative infrastructure has been established in the area to serve the needs of the offshore oil and gas industry employing directly 11,100 people, while many locally-established companies offering a variety of manufacturing, commercial, financial and personnel services for the oil world as an addition to their traditional interests give total employment directly or indirectly related to the offshore energy industry of 20,000.

Supply and visualising, storage and warehousing, stock control, freight, forwarding, ship and air charter, labour and plant hire, divers, diving supply and back-up, general engineering, onshore and offshore fabrication, supply boats and service boats, analytical and consultancy services, drilling, communication and electronic equipment... and much more operate from the region for the oil industry.

And of course there is a queue to join the Aberdeen oil train. A line of 120 companies looking for office, factory, depot, warehouse and storage

Cap Fowles

BLACK DIAMONDS PENSIONS LIMITED

(A company wholly owned by the National Coal Board Pension Funds)

Offer for the Ordinary Shares of THE BRITISH INVESTMENT TRUST LIMITED

Black Diamonds Pensions Limited will not declare the Offer unconditional until after 3 p.m. on Monday, 12th December, 1977 so that accepting Ordinary Shareholders will, in the event of the Offer being declared unconditional, retain the advantage of the alternative Offer terms during the whole of the Offer period.

In the event of the Offer becoming unconditional accepting Ordinary Shareholders will be entitled to receive for each of their Ordinary Shares of The British Investment Trust Limited:

a guaranteed minimum cash price of 165p

or,

if the formula value is higher on 12th December, 1977 and the Offer is declared unconditional, a higher cash amount.

165p is the highest price paid by Black Diamonds Pensions Limited for Ordinary Shares of The British Investment Trust Limited.

The market value of the Ordinary Shares of The British Investment Trust Limited on 23rd November, 1977* was 145p x.

Wood, Mackenzie & Co., stockbrokers, have estimated the values of the Offer at the close of the first dealing day of each of the six months preceding the announcement of the Offer. These produce an average premium over the middle-market values of the Ordinary Shares of The British Investment Trust Limited on those dates of more than 25 per cent.

The Board of Black Diamonds Pensions Limited and its financial advisers, S. G. Warburg & Co. Ltd., remain firmly of the opinion that the Offer is generous and attractive, particularly so following the inclusion of the guaranteed minimum cash price of 165p per Ordinary Share.

The Offer will close at 3 p.m. on Monday, 12th December, 1977 and cannot be extended. Ordinary Shareholders who wish to accept the Offer should therefore note that the final time for acceptance is 3 p.m. on Monday, 12th December, 1977 and are accordingly strongly urged to accept without delay.

*The day before the announcement of the guaranteed minimum cash price in the Press.

This statement has been issued by S. G. Warburg & Co. Ltd. on behalf of Black Diamonds Pensions Limited. The Board of Black Diamonds Pensions Limited has taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate and all the Directors jointly and severally accept responsibility accordingly.

FINANCIAL NEWS AND MARKET REPORTS

Cost of bread strike may bite into RHM

Foods, both manufacturing and retailing, will be in the spotlight this week with some of the largest and smallest groups in the sector publishing results.

One of the first to show how well, or badly, it has been trading is baker giant Rank Hovis McDougall, reporting full year figures tomorrow. Brothers Joseph, Sebas, are none-too-optimistic of the outcome, estimating a dip in pre-tax profits to around £37.5m against £40m. These figures do not take into account the cost of the September bread strike—likely to exceed Associated British Food's £2m loss—which will bite hard into the interim profits of the current year.

Almost doubled half-time profits is the forecast for Thursday's figures from J Lyons rising from £4.5m last year to £8m this time round.

And Sebas is also expecting an increase on Wednesday from Northern Foods, the Hull-

This week

based drinks and dairy product supplier.

Northern supermarket group Lemmons is also likely to have some of the gloss knocked off profits this week round.

Messel is going for interim profits of around £500,000 on Friday, against £1.2m in 1976.

WEDESDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

TOMORROW

TSUSAY: Interims—Andersons Bakers Inv Ltd, Bassetts Biscuits, Birmingham Mint, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

FRIDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

SATURDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

SUNDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

MONDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

TUESDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

WEDNESDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

THURSDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

FRIDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

SATURDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

SUNDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

MONDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

TUESDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

WEDNESDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

THURSDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

FRIDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

SATURDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

SUNDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

MONDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

TUESDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

WEDNESDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

THURSDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

FRIDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

SATURDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

SUNDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

MONDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

TUESDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

WEDNESDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

THURSDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

FRIDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

SATURDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

SUNDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

MONDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

TUESDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

WEDNESDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

THURSDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

FRIDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

SATURDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

SUNDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

MONDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

TUESDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Carles, Capel & Leonard, Chapman & Co (Bath), General Electric, Kleen-

Sons, Vinten Grp, Whitecroft, and Wyndham Eng.

WEDNESDAY: Interims—Associated British Biscuits Ltd, Bristol Evening Post, Car

FINANCIAL NEWS AND MARKET REPORTS

Spooner Ind improves margins at year end

By Alison Mitchell

The benefits of rationalisation at machinery manufacturer Spooner Industries are beginning to show through to results. In the year to September 30 the group posted pre-tax profits from £489,000 to £325,000 on turnover up only 7 per cent to £10.1m.

This widens pre-tax margins by about 3 per cent to 8.2 per cent. The improved results also reflect the review of operations at Garmer Bywater. One of the largest subsidiaries Spooner Food Machinery Engineering again increased its contribution.

However, the devaluation of the Spanish peseta in July sucked £25,000 from after-tax profits. This compares with an exchange gain of £6,000 in the previous 12 months.

There was a further improvement in the balance sheet and net tangible assets which rose to £69m in the period. The directors point out that the market value of the group's freehold property is, in their opinion, substantially above the book value.

A further increase in profits is expected in the current year judging by the level of the order book and inquiries for the group's machines, say the directors. And they underline this confidence by promising shareholders a substantially greater dividend when legislation permits. In the year under review Spooner has paid a maximum permitted 4p to holders.

North Sea oil shares to help Aberdeen Trust

A buoyant British stock market helped Aberdeen Trust to record net revenue of £1.1m in the year to September 30 last. And had it not been for a poor performance in North America, where the investment company invests about a quarter of its portfolio, the income would have been even greater, chairman Mr James Cruikshank tells shareholders in the annual report.

The net asset value per share, after deducting charges at par and allowing for the proposed final dividend, has risen from a previous 145p to 183p.

The trust company's largest investment has traditionally been in banks, insurance companies and investment trusts and these have performed exceptionally well in recent months, the chairman reports.

Bank Base Rates

ABN Bank 7.50
Barclays Bank 7.50
Consolidated Crdts 7.50
First London Soc 7.50
C. Hoare & Co 7.50
Lloyd's Bank 7.50
London Mercantile 7.50
Midland Bank 7.50
Nat Westminster 7.50
Rosenstein Acc's 7.50
Sheeney Trust 7.50
TSB 7.50
Williams & Glyn's 7.50

* 7 day deposits on terms of 11.50, 12.50, 13.50, 14.50, 15.50, 16.50, 17.50, 18.50, 19.50, 20.50, 21.50, 22.50, 23.50, 24.50, 25.50, 26.50, 27.50, 28.50, 29.50, 30.50, 31.50, 32.50, 33.50, 34.50, 35.50, 36.50, 37.50, 38.50, 39.50, 40.50, 41.50, 42.50, 43.50, 44.50, 45.50, 46.50, 47.50, 48.50, 49.50, 50.50, 51.50, 52.50, 53.50, 54.50, 55.50, 56.50, 57.50, 58.50, 59.50, 60.50, 61.50, 62.50, 63.50, 64.50, 65.50, 66.50, 67.50, 68.50, 69.50, 70.50, 71.50, 72.50, 73.50, 74.50, 75.50, 76.50, 77.50, 78.50, 79.50, 80.50, 81.50, 82.50, 83.50, 84.50, 85.50, 86.50, 87.50, 88.50, 89.50, 90.50, 91.50, 92.50, 93.50, 94.50, 95.50, 96.50, 97.50, 98.50, 99.50, 100.50, 101.50, 102.50, 103.50, 104.50, 105.50, 106.50, 107.50, 108.50, 109.50, 110.50, 111.50, 112.50, 113.50, 114.50, 115.50, 116.50, 117.50, 118.50, 119.50, 120.50, 121.50, 122.50, 123.50, 124.50, 125.50, 126.50, 127.50, 128.50, 129.50, 130.50, 131.50, 132.50, 133.50, 134.50, 135.50, 136.50, 137.50, 138.50, 139.50, 140.50, 141.50, 142.50, 143.50, 144.50, 145.50, 146.50, 147.50, 148.50, 149.50, 150.50, 151.50, 152.50, 153.50, 154.50, 155.50, 156.50, 157.50, 158.50, 159.50, 160.50, 161.50, 162.50, 163.50, 164.50, 165.50, 166.50, 167.50, 168.50, 169.50, 170.50, 171.50, 172.50, 173.50, 174.50, 175.50, 176.50, 177.50, 178.50, 179.50, 180.50, 181.50, 182.50, 183.50, 184.50, 185.50, 186.50, 187.50, 188.50, 189.50, 190.50, 191.50, 192.50, 193.50, 194.50, 195.50, 196.50, 197.50, 198.50, 199.50, 200.50, 201.50, 202.50, 203.50, 204.50, 205.50, 206.50, 207.50, 208.50, 209.50, 210.50, 211.50, 212.50, 213.50, 214.50, 215.50, 216.50, 217.50, 218.50, 219.50, 220.50, 221.50, 222.50, 223.50, 224.50, 225.50, 226.50, 227.50, 228.50, 229.50, 230.50, 231.50, 232.50, 233.50, 234.50, 235.50, 236.50, 237.50, 238.50, 239.50, 240.50, 241.50, 242.50, 243.50, 244.50, 245.50, 246.50, 247.50, 248.50, 249.50, 250.50, 251.50, 252.50, 253.50, 254.50, 255.50, 256.50, 257.50, 258.50, 259.50, 260.50, 261.50, 262.50, 263.50, 264.50, 265.50, 266.50, 267.50, 268.50, 269.50, 270.50, 271.50, 272.50, 273.50, 274.50, 275.50, 276.50, 277.50, 278.50, 279.50, 280.50, 281.50, 282.50, 283.50, 284.50, 285.50, 286.50, 287.50, 288.50, 289.50, 290.50, 291.50, 292.50, 293.50, 294.50, 295.50, 296.50, 297.50, 298.50, 299.50, 300.50, 301.50, 302.50, 303.50, 304.50, 305.50, 306.50, 307.50, 308.50, 309.50, 310.50, 311.50, 312.50, 313.50, 314.50, 315.50, 316.50, 317.50, 318.50, 319.50, 320.50, 321.50, 322.50, 323.50, 324.50, 325.50, 326.50, 327.50, 328.50, 329.50, 330.50, 331.50, 332.50, 333.50, 334.50, 335.50, 336.50, 337.50, 338.50, 339.50, 340.50, 341.50, 342.50, 343.50, 344.50, 345.50, 346.50, 347.50, 348.50, 349.50, 350.50, 351.50, 352.50, 353.50, 354.50, 355.50, 356.50, 357.50, 358.50, 359.50, 360.50, 361.50, 362.50, 363.50, 364.50, 365.50, 366.50, 367.50, 368.50, 369.50, 370.50, 371.50, 372.50, 373.50, 374.50, 375.50, 376.50, 377.50, 378.50, 379.50, 380.50, 381.50, 382.50, 383.50, 384.50, 385.50, 386.50, 387.50, 388.50, 389.50, 390.50, 391.50, 392.50, 393.50, 394.50, 395.50, 396.50, 397.50, 398.50, 399.50, 400.50, 401.50, 402.50, 403.50, 404.50, 405.50, 406.50, 407.50, 408.50, 409.50, 410.50, 411.50, 412.50, 413.50, 414.50, 415.50, 416.50, 417.50, 418.50, 419.50, 420.50, 421.50, 422.50, 423.50, 424.50, 425.50, 426.50, 427.50, 428.50, 429.50, 430.50, 431.50, 432.50, 433.50, 434.50, 435.50, 436.50, 437.50, 438.50, 439.50, 440.50, 441.50, 442.50, 443.50, 444.50, 445.50, 446.50, 447.50, 448.50, 449.50, 450.50, 451.50, 452.50, 453.50, 454.50, 455.50, 456.50, 457.50, 458.50, 459.50, 460.50, 461.50, 462.50, 463.50, 464.50, 465.50, 466.50, 467.50, 468.50, 469.50, 470.50, 471.50, 472.50, 473.50, 474.50, 475.50, 476.50, 477.50, 478.50, 479.50, 480.50, 481.50, 482.50, 483.50, 484.50, 485.50, 486.50, 487.50, 488.50, 489.50, 490.50, 491.50, 492.50, 493.50, 494.50, 495.50, 496.50, 497.50, 498.50, 499.50, 500.50, 501.50, 502.50, 503.50, 504.50, 505.50, 506.50, 507.50, 508.50, 509.50, 510.50, 511.50, 512.50, 513.50, 514.50, 515.50, 516.50, 517.50, 518.50, 519.50, 520.50, 521.50, 522.50, 523.50, 524.50, 525.50, 526.50, 527.50, 528.50, 529.50, 530.50, 531.50, 532.50, 533.50, 534.50, 535.50, 536.50, 537.50, 538.50, 539.50, 540.50, 541.50, 542.50, 543.50, 544.50, 545.50, 546.50, 547.50, 548.50, 549.50, 550.50, 551.50, 552.50, 553.50, 554.50, 555.50, 556.50, 557.50, 558.50, 559.50, 560.50, 561.50, 562.50, 563.50, 564.50, 565.50, 566.50, 567.50, 568.50, 569.50, 570.50, 571.50, 572.50, 573.50, 574.50, 575.50, 576.50, 577.50, 578.50, 579.50, 580.50, 581.50, 582.50, 583.50, 584.50, 585.50, 586.50, 587.50, 588.50, 589.50, 590.50, 591.50, 592.50, 593.50, 594.50, 595.50, 596.50, 597.50, 598.50, 599.50, 600.50, 601.50, 602.50, 603.50, 604.50, 605.50, 606.50, 607.50, 608.50, 609.50, 610.50, 611.50, 612.50, 613.50, 614.50, 615.50, 616.50, 617.50, 618.50, 619.50, 620.50, 621.50, 622.50, 623.50, 624.50, 625.50, 626.50, 627.50, 628.50, 629.50, 630.50, 631.50, 632.50, 633.50, 634.50, 635.50, 636.50, 637.50, 638.50, 639.50, 640.50, 641.50, 642.50, 643.50, 644.50, 645.50, 646.50, 647.50, 648.50, 649.50, 650.50, 651.50, 652.50, 653.50, 654.50, 655.50, 656.50, 657.50, 658.50, 659.50, 660.50, 661.50, 662.50, 663.50, 664.50, 665.50, 666.50, 667.50, 668.50, 669.50, 670.50, 671.50, 672.50, 673.50, 674.50, 675.50, 676.50, 677.50, 678.50, 679.50, 680.50, 681.50, 682.50, 683.50, 684.50, 685.50, 686.50, 687.50, 688.50, 689.50, 690.50, 691.50, 692.50, 693.50, 694.50, 695.50, 696.50, 697.50, 698.50, 699.50, 700.50, 701.50, 702.50, 703.50, 704.50, 705.50, 706.50, 707.50, 708.50, 709.50, 710.50, 711.50, 712.50, 713.50, 714.50, 715.50, 716.50, 717.50, 718.50, 719.50, 720.50, 721.50, 722.50, 723.50, 724.50, 725.50, 726.50, 727.50, 728.50, 729.50, 730.50, 731.50, 732.50, 733.50, 734.50, 735.50, 736.50, 737.50, 738.50, 739.50, 740.50, 741.50, 742.50, 743.50, 744.50, 745.50, 746.50, 747.50, 748.50, 749.50, 750.50, 751.50, 752.50, 753.50, 754.50, 755.50, 756.50, 757.50, 758.50, 759.50, 760.50, 761.50, 762.50, 763.50, 764.50, 765.50, 766.50, 767.50, 768.50, 769.50, 770.50, 771.50, 772.50, 773.50, 774.50, 775.50, 776.50, 777.50, 778.50, 779.50, 780.50, 781.50, 782.50, 783.50, 784.50, 785.50, 786.50, 787.50, 788.50, 789.50, 790.50, 791.50, 792.50, 793.50, 794.50, 795.50, 796.50, 797.50, 798.50, 799.50, 800.50, 801.50, 802.50, 803.50, 804.50, 805.50, 806.50, 807.50, 808.50, 809.50, 810.50, 811.50, 812.50, 813.50, 814.50, 815.50, 816.50, 817.50, 818.50, 819.50, 820.50, 821.50, 822.50, 823.50, 824.50, 825.50, 826.50, 827.50, 828.50, 829.50, 830.50, 831.50, 832.50, 833.50, 834.50, 835.50, 836.50, 837.50, 838.50, 839.50, 840.50, 841.50, 842.50, 843.50, 844.50, 845.50, 846.50, 847.50, 848.50, 849.50, 850.50, 851.50, 852.

Stock Exchange Prices

Capitalization and week's change

ACCOUNT DAYS: Dealings Began, Nov 28. Dealings End, Dec 9. § Comrango Day, Dec 12. Settlement Day, Dec 20

§ Forward bargains are permitted on two previous days

(Current market price multiplied by the number of shares in issue for the stock quoted)

مزاد امن الاصول

Educational & Public Appointments

OVERSEAS DEVELOPMENT INSTITUTE

Overseas Research Fellowships

ODI is initiating a new Overseas Research Fellowship Scheme, under which British social scientists will work in research institutions in developing countries.

Applications are invited under this scheme for a senior post at the Overseas Research Survey Unit, University of Dar es Salaam. The area of research will be commodity analysis with particular reference to Tanzania's exports of primary commodities. The work will be policy oriented and will include, e.g., projections, assessments of scope for establishing export markets and price diversification, and marketing.

Candidates should have post-graduate qualifications and/or a record of professional work and publication in international economics and/or agricultural economics. Salary within the upper range of the Senior Professor or the Senior Lecturer/Reader range, with the possibility of a supernumerary appointment. Superannuation and overseas service benefit will be paid. The appointment is expected to be for two years, though a shorter term may be considered exceptional circumstances.

Applications, with a.c.v. and names of two referees, should be sent to Overseas Research Fellowships, Overseas Development Institute, 10-11 Petty Street, London W1P 6JF, by Monday, 1 January 1978. Shortlisted candidates will be asked to attend ODI in London, after which a recommendation will be forwarded to the University of Dar es Salaam, which will make the final decision.

UEA

NORWICH

DEVELOPMENTSHIP IN

APPLIED SOCIAL SCIENCES

Applications are invited from

UNIVERSITY OF YORK

DEPARTMENT OF

ECONOMICS AND

RELATED STUDIES

TWO LECTURESHIPS IN

ECONOMICS

Applications are invited for

UNIVERSITY OF GHANA MEDICAL SCHOOL

Vacancies exist in the Department of Surgery for

SENIOR REGISTRARS/LECTURERS

in general surgery for which applications are invited.

Applicants must have obtained appropriate qualifications and experience.

SALARY: £8,420-£9,780 p.a. plus professional tax free allowance of £2,500 per annum.

(Current rate of exchange £2.41 Sterling)

Other benefits include subsidised accommodation, free passages for appointee and family, car maintenance allowance and free medical attention.

Application forms are obtainable from the Overseas Representative, University of Ghana, Office, 15 Gordon Square, London WC1, to whom completed forms must be returned not later than 5 January, 1978.

UNIVERSITY OF LEICESTER MEDICAL SCHOOL

Senior Lecturer and Honorary Consultant in Forensic Psychiatry

Applications are invited for a post of Senior Lecturer and established Medical School which has a Forensic Psychiatry teaching programme. The appointment carries responsibilities for research and supervision.

Salary according to qualifications and experience on the scale £3,250-£3,850 p.a. plus a supplement of £200 (subject to statutory limitation).

Further particulars and application forms from the Registrar, University of Leicester, University Road, Leicester LE1 7RH, to whom completed forms must be sent by 31 January, 1978.

University of Bristol DEPARTMENT OF VETERINARY MEDICINE

Applications are invited for a Lecturer in Veterinary Medicine in the Veterinary School at Langford. The post will be full or part-time. There is a possibility of a secondment to the University of Bristol, Bristol, BS8 1TJ, to the Registrar, University of York, Heslington, York YO1 5DD, to whom further details may be obtained.

Applications, together with the names and addresses of two referees, should be sent to the Registrar, University of Bristol, Bristol, BS8 1TJ, to whom completed forms and names of two referees may be obtained. (Please quote reference 101).

MANUAL SCHOOL, LONDON

An additional post is available to teach mathematics

together with other sciences and

other subjects.

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

two posts in the

Department of

VETERINARY MEDICINE

Applications are invited for

Christmas Gift Guide

For Everyone

Save £6.50 on a Polaroid Colour Swinger at Argos.

Capture the fun of Christmas as it happens with these special Christmas Colour Swingers! £10.95 Super Colour Swinger £15.25 Super Colour Swinger £14.25.

Remember! Argos prices on Polaroid film too!



famous names at discount prices.

"Polaroid" and "Swinger" are trademarks of the Polaroid Corporation, Cambridge, Mass., U.S.A.

TWO FOR THE PRICE OF ONE

Give your friends a year's subscription to *St. Omer's Magazine* and the monthly issue of the racing magazine *St. Omer's Magazine* will also send a half bottle of whisky and a Christmas greeting card all in one gift.

Send the name and address of the recipient, and your own name and address with a subscription before Christmas to:

STUDIO STARS LTD., 59 HIGH STREET, ASCOT, SL5 7HP.

EX-LIBRIS BOOKPLATES, 5 attractive designs, £1.50. Send name and address, £1.50. 5120, Ella and Anna, Finch Lane, Amersham, Bucks.

A MINIATURE BONSAI grown true. The high welcome gift from The Specimen C. 1000. Bonsai experts.

STANLEY'S, 100, 1000. Bonsai experts.

ANTHONY STEWART TWIBBLE and wife, 1000. Bonsai experts.

ANDREW STEWART TWIBBLE and wife, 1000. Bonsai experts.

BLUE BOX PERSONAL STATIONERY, 500. Bonsai experts.

FUR HATS, 100. Mix from £10.

COFFEE, 100. Mix from £10.



To place an advertisement in any of these categories, tel:

PRIVATE ADVERTISERS ONLY

01-837 3311

APPOINTMENTS

01-278 9161

PROPERTY ESTATE AGENTS

01-278 9231

PERSONAL TRADE

01-278 9351

MANCHESTER OFFICE

061-834 1234

Querries in connection with

advertisements that have

appeared, other than

cancellations or

alterations, tel:

Classified Queries Dept.

01-837 1234, Ext. 7180

Appointments Vacant

01-278 9244

Classified Job Guide

01-278 9244

Commercial and Industrial

Contracts and Tenders

01-278 9244

Situations

01-278 9244

Educational and Cadet

Appointments

01-278 9244

Financial

01-278 9244

Legal Notices

01-278 9244

Local Notices

01-278 9244

Property

01-278 9244

Secretarial and Non-

Secretarial Appointments

01-278 9244

Visitors Wanted

01-278 9244

Box No. replies should be

sent to: The Times

P.O. Box 7

Newgate Street Square

Gray's Inn Road

London WC1X 8EE

Details for cancellations and

resumptions of advertisements

are proofed

advertisements

are 13.00 hrs prior to the day

of publication of the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

and the cancellation slip

will be issued to the Querries

Issue. Please note that the

Stop Number will be issued to

the cancellation slip

Tomorrow marks the sixtieth anniversary of the independence of this former Russian Grand Duchy. This Special Report looks at the political and economic development of the country and its relations with the Soviet Union

FINLAND

Since independence Finland has dexterously trodden a neutral tightrope between East and West. The 4,750,000 Finns are a quiet, resolute and hard-drinking people with a tongue-twisting language who have established an enviable quality of life for

themselves. Now, however, beset by recurring weak government and the aftermath of the energy crisis, they are being forced to come out of their northern haven to play a greater role in trading inter-

Recession strikes a sombre note

by Olli Kivinen

Economic facts of life dictate without mercy that the mood in recession stricken Finland on the sixtieth anniversary of independence is very sombre. No large-scale celebrations are planned, and the whole occasion is taken more as an opportunity to look carefully where the country stands and how well it has been able to materialize the present-day dream of strengthening its position in the world by building bridges between east and west.

Finland is in a perfect position to act as a mediator in today's Europe. It has a distinctly Western culture and democratic way of life. It can be said that even though early years saw many difficulties, democracy has settled down firmly in Finland, and this rebirth of an age-old democratic tradition after turbulent years has led to a society which can boast of real equality and advanced democratic institutions.

Yet Finland also has an inherent understanding of the east which it acquired during a century as a grand duchy of Tsarist Russia. Finland was 60 years ago better prepared for independence than most other relatively new nations as it had its own national, political and social institutions extending over many years with a parliamentary system and distinctly Finnish culture, civilization, and language. This advanced nationhood was completed during the nineteenth century, and it involved working with the Russians, sometimes at odds,

sometimes, during the more liberal Tsarist rule, in co-operation.

This experience of living between East and West was to a great extent denied during the early decades of independent *sturm und drang* years which follow any nation's independence, and its rebirth started only after the Second World War.

Since then Finland has actively spread its cooperation attempts eastwards instead of looking solely to the West. In many ways the sixtieth anniversary 10 years ago was more of an occasion for reminiscence while now more attention is paid to Finland's role as a bridge builder.

The reason behind this is partly that the country is in the middle of a presidential election campaign modestly aimed at strengthening the present foreign policy.

In addition to this Finland lives very much in the atmosphere of the European Security Conference, in which the country has been deeply involved and which is seen as a major event even though it is not so greatly appreciated in other European countries.

Finland has been successful in its bridge building attempts in security policy and trade, but the picture is not as satisfactory in cultural relations where it has been unable to bridge the huge gap of distrust which still divides Europe.

The economic recession has hit Finland hard with unemployment rising to over an average of 7 per cent and industries, using the traditional basis for only part of their capacity.

These difficulties are a

recession and they ride the trade, was maintained. Finland's independence has brought about rapid industrialization, a good social security system and a huge rise in the standard of living.

Even after the Second

World War Finland was an economically backward country with a limited pulp, paper and timber industry.

In 1950 more than 40 per cent of the labour force

was employed in agriculture, a difficult task

north of the 60th Parallel. Even in the early 1960s this figure was more than 30 per cent. After that it has decreased to roughly 15 per cent.

Finland has established modern and varied industries since then, and economic growth averaged nearly 5 per cent a year before the present recession. It was done without Marshall Aid and without major direct investment from abroad. This industrialization led about 10 years ago to the previous unbridgeable situation as Finland overtook many other Western countries, including Britain, in per capita income.

Also in foreign security policy Finland has scored important victories recently and its position has improved considerably. The end of the Second World War was a watershed as Finland changed policies and began a peaceful strategy aimed at keeping out of big power conflicts. This policy has since graduated to active neutrality with Finland taking initiatives in many sectors, most notably in European security and in the United Nations.

Finland is, because of its geographical position, more

dependent on defence than most other European countries. Any step towards the Cold War defence is felt immediately in Finland, and thus it is naturally most anxious to improve East-West relations. The new and largely original foreign policy aimed at breaking the ice has led to a lot of speculation about going too far into Finlandization, but no objective observer looking at the results of this policy from a Finnish viewpoint can dismiss it as a failure.

Finns pride themselves on the fact that the present foreign policy, which has strengthened Finland's international position beyond anything so far achieved, is based on the country's own resources and ingenuity as well as the friendly status quo in Europe. It does not depend on Germany or any other power in the past.

No one can naturally guarantee how Finland's new concept of using its position as a frontier bridge between East and West instead of the traditional

standing on guard as an isolated outpost of the Western world can withstand potential pressures against the European security system, but for the moment Finland is clearly in a position to continue this active work and raise its voice in international arenas to a louder pitch than its size would justify.

In the more abstract cultural bridge-building Finns have not fared as well as in trade and politics. The reason is, no doubt, partly that this sector is covered more

by emotion than facts both

in the East and in the West, and this makes conciliation more difficult.

This must not hide the fact that Finns can also be seen most clearly among the new left, although most of it has

been frozen into a rigid, sullen

type of liberal thought is

blame themselves as this

bridge-building is hampered by the lack of defence at home: if this defence does

not exist in cultural life it is

difficult to spread it

where in Western Europe.

This change can also be seen most clearly among the new left, although most of it has

been frozen into a rigid, sullen

type of liberal thought is

blame themselves as this

bridge-building is hampered by the lack of defence at home: if this defence does

not exist in cultural life it is

difficult to spread it

where in Western Europe.

This must not hide the fact that Finns can also be seen most clearly among the new left, although most of it has

been frozen into a rigid, sullen

type of liberal thought is

blame themselves as this

bridge-building is hampered by the lack of defence at home: if this defence does

not exist in cultural life it is

difficult to spread it

where in Western Europe.

This must not hide the fact that Finns can also be seen most clearly among the new left, although most of it has

been frozen into a rigid, sullen

type of liberal thought is

blame themselves as this

bridge-building is hampered by the lack of defence at home: if this defence does

not exist in cultural life it is

difficult to spread it

where in Western Europe.

This must not hide the fact that Finns can also be seen most clearly among the new left, although most of it has

been frozen into a rigid, sullen

type of liberal thought is

blame themselves as this

bridge-building is hampered by the lack of defence at home: if this defence does

not exist in cultural life it is

difficult to spread it

where in Western Europe.

This must not hide the fact that Finns can also be seen most clearly among the new left, although most of it has

been frozen into a rigid, sullen

type of liberal thought is

blame themselves as this

bridge-building is hampered by the lack of defence at home: if this defence does

not exist in cultural life it is

difficult to spread it

where in Western Europe.

This must not hide the fact that Finns can also be seen most clearly among the new left, although most of it has

been frozen into a rigid, sullen

type of liberal thought is

blame themselves as this

bridge-building is hampered by the lack of defence at home: if this defence does

not exist in cultural life it is

difficult to spread it

where in Western Europe.

This must not hide the fact that Finns can also be seen most clearly among the new left, although most of it has

been frozen into a rigid, sullen

type of liberal thought is

blame themselves as this

bridge-building is hampered by the lack of defence at home: if this defence does

not exist in cultural life it is

difficult to spread it

where in Western Europe.

This must not hide the fact that Finns can also be seen most clearly among the new left, although most of it has

been frozen into a rigid, sullen

type of liberal thought is

blame themselves as this

bridge-building is hampered by the lack of defence at home: if this defence does

not exist in cultural life it is

difficult to spread it

where in Western Europe.

This must not hide the fact that Finns can also be seen most clearly among the new left, although most of it has

been frozen into a rigid, sullen

type of liberal thought is

blame themselves as this

bridge-building is hampered by the lack of defence at home: if this defence does

not exist in cultural life it is

difficult to spread it

where in Western Europe.

This must not hide the fact that Finns can also be seen most clearly among the new left, although most of it has

been frozen into a rigid, sullen

type of liberal thought is

blame themselves as this

bridge-building is hampered by the lack of defence at home: if this defence does

not exist in cultural life it is

difficult to spread it

where in Western Europe.

This must not hide the fact that Finns can also be seen most clearly among the new left, although most of it has

been frozen into a rigid, sullen

type of liberal thought is

blame themselves as this

bridge-building is hampered by the lack of defence at home: if this defence does

not exist in cultural life it is

difficult to spread it

where in Western Europe.

This must not hide the fact that Finns can also be seen most clearly among the new left, although most of it has

been frozen into a rigid, sullen

type of liberal thought is

blame themselves as this

bridge-building is hampered by the lack of defence at home: if this defence does

not exist in cultural life it is

difficult to spread it

where in Western Europe.

This must not hide the fact that Finns can also be seen most clearly among the new left, although most of it has

been frozen into a rigid, sullen

type of liberal thought is

blame themselves as this

bridge-building is hampered by the lack of defence at home: if this defence does

not exist in cultural life it is

difficult to spread it

where in Western Europe.

This must not hide the fact that Finns can also be seen most clearly among the new left, although most of it has

been frozen into a rigid, sullen

type of liberal thought is

blame themselves as this

bridge-building is hampered by the lack of defence at home: if this defence does

not exist in cultural life it is

difficult to spread it

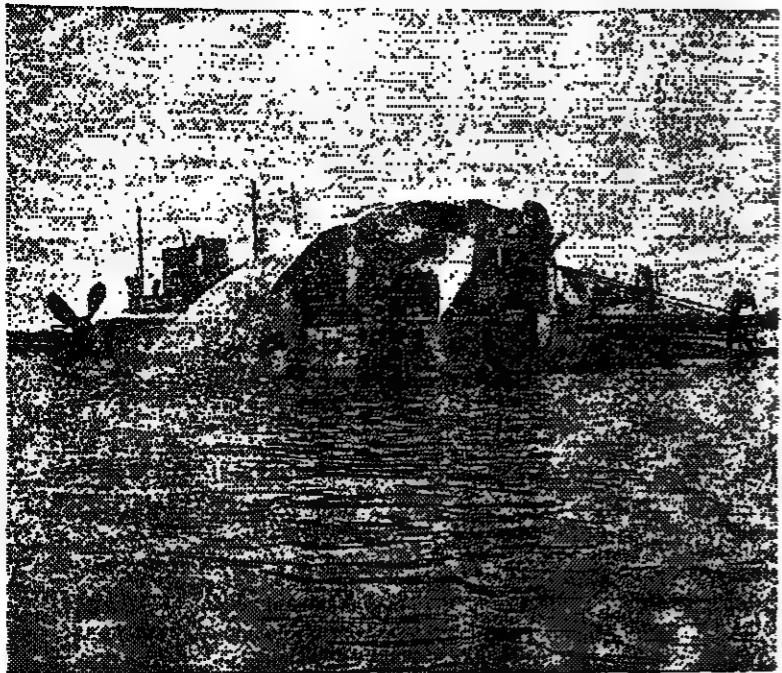
where in Western Europe.

This must not hide the fact that Finns can also be seen most clearly among the new left, although most of it has

been frozen into a rigid, sullen

type of liberal thought is

HOW TO SHARE YOUR RISKS SENSIBLY.



One of the most important questions in international insurance is how to find adequate reinsurance security and a reliable outlet.

Need this really be a problem? After all, there is plenty of capacity to spare.

This is just what makes it hard to decide.

There are plenty of companies and brokers offering their services in any situation. With so many of them available, your simplest way out would be to pick the easiest beaver among them.

Or would it? How do you choose your reinsurance partners? The old routine? Or the nearest underwriter within hailing distance?

The prudent make sure their potential partners are able, capable and secure — case by case, risk by risk — before reaching a decision.

Pohjola-Suomi-Salama the leader in Finnish insurance, a group of non-life and life companies combining high capacity with first-class security. Pohjola-Suomi-Salama is an international company as well: it has subsidiaries, holdings and agencies in many European countries, in the UK among others, and in the USA. In 1976 we met £ 85 million in claims, while the revenue from premiums on 2.5 million policies totalled £ 103 million.

We feel that we have a solid foundation and we are therefore expanding our international business activities. Our principle is to accept all branches of reinsurance whenever the risks match our capacity and our operational philosophy.

Why not be sensible and try us?

POHJOLA-SUOMI-SALAMA

The leader in Finnish insurance.

tampella stands for advanced technology

Pulp and paper industry

Paper and paperboard machines and components • Groundwood mills • Continuous digesters • Tampella-Honshu de-inking systems • Stock preparation equipment

Process industry

Chemical recovery equipment • Pekilo protein factories • Water treatment equipment • Process industry equipment and know-how

Energy production

Water turbines • Soda and other process boilers • Feedwater treatment apparatus

Tampella

OY TAMPILLA AB
TAMPERE
FINLAND

Olli Kivinen discusses the policies of two presidents—the present holder of the office, Mr Urho Kekkonen and his notable predecessor, Mr Juho Kusti Paasikivi, who came to terms with his powerful eastern neighbour

A strong man in Paavo Nurmi's land

Unlike his predecessor, Dr Urho Kekkonen was not a generally accepted choice for the presidency in 1956. On the contrary, he won the presidency by the narrowest possible majority and he was by far the most controversial of Finland's politicians.

Dr Kekkonen, born in 1900 in the north-eastern province of Kainuu, is one of the new breed of Finns whose active life began after independence was won in 1918 and who were not involved in the struggle of the last years against Russia. There can be seen as a personalisation of new Finland. He went during his younger years through a period of intense nationalism in the intellectually dominant Academic Karelian Society and supported a strong war effort against the Russians in the early years of Finland's participation in the Second World War. His transformation to the realism preached by Paasikivi began during the war when he was already an influential politician and writer.

He was to become a dominant force of the last years of Paasikivi's presidency when he was appointed as Prime Minister. He also became an ardent supporter of the Russian line, and to the extent that, after a couple of years after the beginning of his presidency the name of this new foreign policy was changed into Paasikivi-Kekkonen line. Not without reason, because the change to active neutrality was initiated by President Kekkonen.

The length of Dr Kekkonen's tenure in office, 21

years by now and more to come, since he is likely to be re-elected in January, has led many Finns to search for reasons for this. Is it, as his opponents say, that he has cut down all opposition or do the Finns really want to hang on to him as a safe haven in the turbulent and fast changing world where this need for strong leadership together with the President's obvious willingness to re-enter in power force people to fear something? It must be noted that history does offer a lot of examples of the Finnish desire to find strong leaders.

In the beginning of his presidency Dr Kekkonen provoked passions which were so strong that few could believe that they existed in calm and sober Finland. He is still feared and revered, and at both ends excesses are frequent. His fiercest opponents

claim that he is selling the country down the river and Soviet tanks can be expected in Helsinki's streets any day. His most ardent courtiers are making him into a near saint whom Finland is no shank for everything good, and some statements praising him do not differ much from Eastern personality cults.

Those extremes are, however, confined to a small group. A clear majority of Finns have accepted him as an unusually strong leader. He was a statesman in 1936—and his popularity has grown steadily even among those who opposed him earlier.

He was the great divider in Finnish politics with whole parties breaking up or being formed solely because of different opinions of him and even now this debate has not calmed down.

President Kekkonen has all the ingredients needed to make him a popular person in Finland. His background is modest, and he offers a real example of the great equality achieved in Finland. He is also an active sportsman, whose physical fitness is legendary even though he is 77 years old, no mean achievement in Paavo Nurmi's and Lasse Viren's world. Furthermore, the President does not mind at ease his more ordinary people during his frequent trips inside the country.

His whole person is typically Finnish and fits the image of Finland: a slightly rough, hard driving country, which in spite of mature years still looks for elbow-room in the world which has never treated it too softly.

His fiercest opponents

Minnow in a whale's vision

continued from previous page

attack, invoked the joint military consultation procedure. But once President Kekkonen had given a warning of a growing "war psy-

chosis" in northern Europe, Kekkonen dropped the idea, knowing that Finland was only one sensitive spot in the broader arena of international tension. Since then all discomforts have been avoided. Relations with the Soviet Union were reinforced last May by an economic development programme terminating simultaneously with the friendly treaty. The whole basis of foreign policy has been shaped through nearly symmetrical "Molotov-Pekkola" association with Eita: association with concessions on trade with the East; free trade with the ERC for co-operation with Comexco; identical dealings with the two Germans.

Finland has played host at the preliminary consultations and two sessions of the European Security Conference, and, as Mr Paavo Väyrynen, the 31-year-old Foreign Minister observes:

"The decisions we have made have gained general recognition and approval" Mr Max Jakobson, a former ambassador to the United Nations, points to the stable and established pattern of relations in Europe, in particular the settlement of the German issue, saying: "Finland's position is fixed more firmly than ever before. In Europe traditional foreign policy issues have faded before pre-occupations with national economies."

Yet some suspicious aroused by the situation and Finland's actions are bound to linger. Some commentators argue that independence is being chipped away, slowly and barely perceptibly.

Published estimates lead critics to expect an increase of the Soviet share of Finland's trade from about 20 per cent in the present five-year period to about 28 per cent in 1986-90. But this would come about only if there was no growth in business with the West, which is an inevitable prospect. Similarly, though Finland is relying heavily on Soviet fuel and technology in raising the nuclear share of its energy capacity to a projected 15 per cent in 1985, it is diversifying its sources of oil supply away from the Soviet Union.

Sceptics note that pro-Soviet propaganda has probably been enjoying free circulation since that from any other source. Yet in such a westward-oriented country this may be counter-productive. Fears that the sixtieth anniversaries of the October Revolution and Finland's independence, historically-linked events, would be jointly celebrated at state level proved unfounded, the main effort being confined to the Finnish-Soviet Friendship Society.

Another pessimistic view claims that Finland, ever ready to adopt an accommodating attitude, anticipates whatever Moscow might think on international as well as bilateral issues. This, however, overlooks the skill with which the Finns, starting with their spell of autonomy under the Tsars, have mastered the art of gestures which placate the Russians but carry a clear refusal to kowtow.

Ploughing their lonely furrow, the Finns have followed a consistent line of neutrality that recognises realities; President Kekkonen has called neutrality

with Norway upholding its line and vaguely promising to consider Finland's feelings.

Within Finland it is considered that a modicum of "self-censorship" exists: "secretly, many writings which offend Moscow or upset Finnish-Soviet relations do not get into print—except, perhaps, in Sweden. Professor Keijo Korhonen, a political historian who is now a senior foreign ministry official after a stint as minister, notes the complexity of the question:

"There is a certain censorship in all human relations, but Finland is an open society where you can write what you want. It is up to individuals what sort of attitude they adopt."

This line is echoed in a

dispassionate approach to the human rights clauses in the Helsinki Declaration.

"Relationships between

individuals and the state are

understood in different ways,

and changes are not quick,"

says Professor Korhonen,

emphasizing the generally

favourable trend rather than

the sharp polemics of the

Belgrade review meeting.

In just one area has the

restrained, neutral refusal force in Namibia.

Cunning old capitalist saved the day



he was an ardent supporter of monarchy. He could not see any of his political friends as head of state, "because we have all been drinking together", he said.

In the early 1920s, however, he headed the Finnish delegation that negotiated the peace with the Russians. This peace was derided by extremists as a surrender.

His diplomatic skills were

needed once again in the

eve of the Second World

War when he was once

again sent to Moscow to

negotiate with the Russians,

whose demands were turned

down in a rebuff that contributed to the causes of the

legendary Winter War. He

also served as ambassador to

Moscow in the peace period

between the Winter War

and the Continuation War

which began in the summer

of 1941.

As it turned out, the cunning old capitalist who was in charge prevented Finland from going the way Czechoslovakia went in 1948. Strangely, even this did not

diminish Paasikivi's standing with the Kremlin.

History may show one day

that the Russians were right in believing that Paasikivi was strong enough to persuade the Finns to love instead of hate their eastern neighbour.

Paasikivi knew that the Russians wanted to ensure the safety of their north western border, and he convinced that friendship was more likely to achieve this than force, because the Finns had

shown they still had much

fighting will left if it were

thrown out of office because

he was an ardent supporter

of monarchy. He could not

see any of his political

friends as head of state,

"because we have all been

drinking together", he said.

In 1944 Paasikivi was

called on to serve as prime

minister and in 1946 as

president. He remained as

the dominant force during Finland's difficult years until

1956.

That period of nearly 12

years was crucial for Fin-

land; serious economical and

political dangers, among

them a communist take-over

attempt, were thwarted

and the Communists

lost their grip on power.

Paasikivi's whole political

life can be called an out-

standing example of real

politics.

As it turned out, the

cunning old capitalist

was not necessarily the best

policy for a nation of five million

people in dealing with a

nation of 200 million. He

had the advantages of friend-

ship, economically, politi-

cally and culturally, and this

realization led to the situa-

tion in which the Russians

totally ignored his back-

ground.

Paasikivi entered Finland's

first unicameral Parliament

in 1905, and he advanced

rapidly to become a minister

in the autonomous govern-

ment. In 1914 he was

chosen to head one of the

political opponents charged

with treason.

He was arrested and

imprisoned for a year.

After his release he

joined the Social-Democratic

Party and became a member

of the Central Committee.

He was a member of the

Central Committee of the

Communist Party of Fin-

land.

Cooperation with communists steers clear of French failures

by Olli Kivinen

factor in Finland's policies. They have joined three coalitions and are at present a part of the centre-left coalition government led by Mr Kalevi Sorsa, of the Social Democratic party.

Communist participation has meant an extension of centre-left cooperation towards the left but it has also meant that the split in the Communist Party has deepened considerably.

In the 1960s the Communists came out of their permanent opposition which began at the end of the 1940s after they were not able to use the postwar turn to Kekkonen. He does not want to see the Conservatives, who earlier opposed him bitterly, in the Government, not

even now that the Conservatives have made a number of changes to their programme.

During the present recession the Communists have remained a loyal coalition partner even though they are forced to prop up the capitalist system. This has denied them many of the benefits of opposition, but it has also calmed down political tensions in the country and made the Communists more acceptable as a political party.

Mr Kalevi Sorsa, the Prime Minister, is perhaps the leading authority on practical thinking the left in Finland's political circumstances as he leads for the second time a coalition government.

Speaking about the cooperation on wide-ranging

Finnish model, Mr Sorsa said in an interview with *The Times* that the transfer of political models from one country to another are difficult because of different social conditions. One can, however, learn from other countries. In that sense there is much interest in the Finnish government cooperation.

The Finnish cooperation differs greatly from that of France, and that is why it does not need to suffer the same fate, Mr Sorsa said.

According to Social Democratic thinking the left in Finland's political circumstances must aim at government cooperation when a coalition government is formed.

"We do not base our

common programmes on the cooperation of the left Eurocommunists but also three parties from the political centre. It has been like this always when the Communists have joined their ministerial posts for coalition cooperation. The revolutionary preparations for cooperation is as they did in the 1940s.

One observer pointed out recently that revisionism has only caught on among the biggest and also the three parties in the centre because they stood steadily on their feet and had self-esteem. In order to grow and stay big they had been compelled to be more tolerant than small orthodox groups.

The Finnish communists avoid using the word Eurocommunist because in their internal fight this could lead to setbacks for the moderates. It is, however, fair to

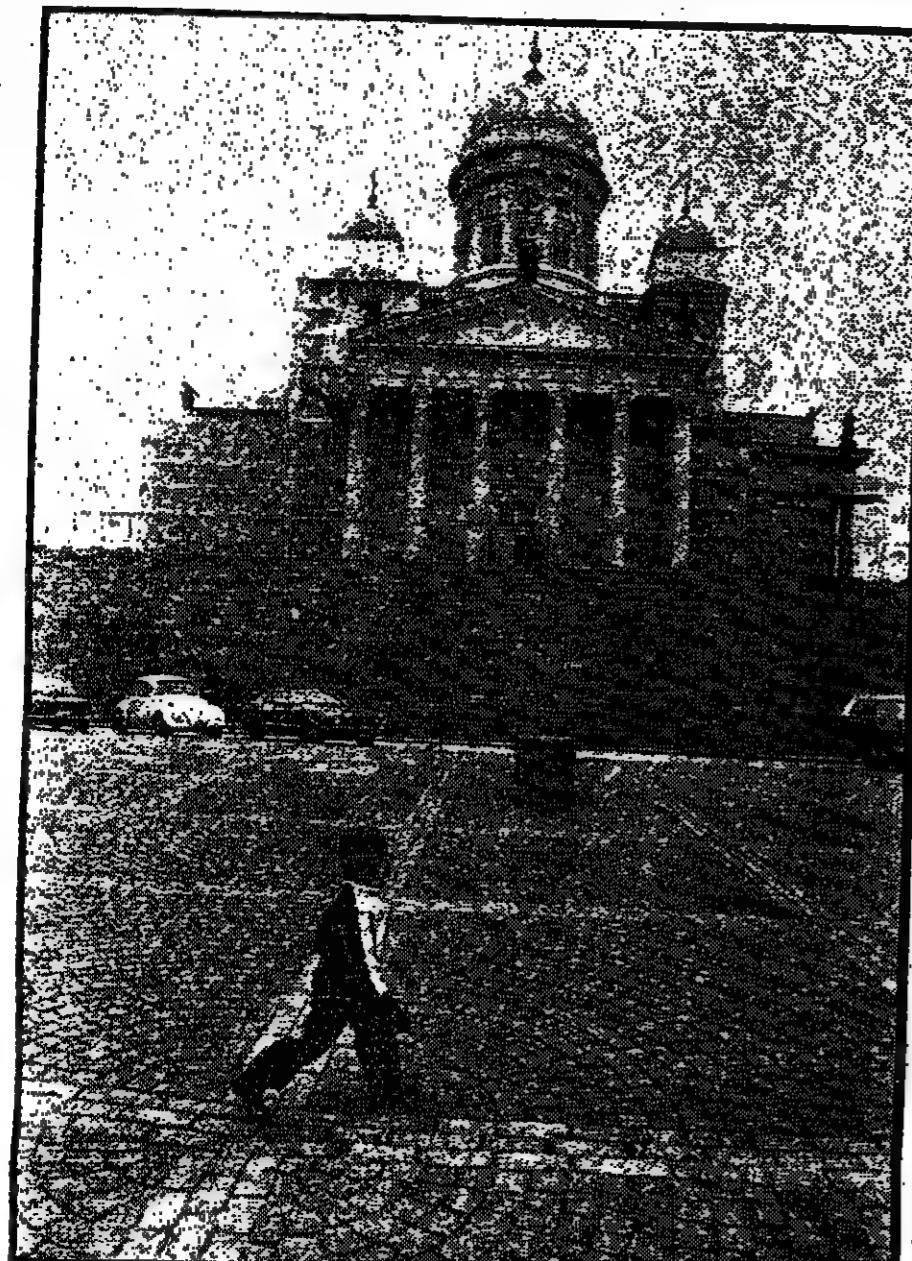
say that with trade unions, Stalinists oppose participation with local government and parliament in government.

Pragmatic policies are their local government and participation in government. One thing about the Finnish example of communists in government is certain; it has not helped the party's radicalism to remain attempts to beat the deep split into the "majority" headed by the moderate chairman Mr Aarne Saarinen and the Stalinists or Taistolaiset as they are commonly called after their leader Mr Taisto Simola.

Most revisionists have for the past 10 years preferred government participation because it gives them an opportunity to advance their reformist policies. At the same time they hope that government cooperation helps them by moving the party in reformist directions.

Stability can hardly be described as common in Finland's internal policies—as the country has seen 60 governments in as many years of independence. The multi-party system is one contributor to this record, but the split in the left into strong social democratic and communist parties has also led to instability.

In the 1960s the Communists came out of their permanent opposition which began at the end of the 1940s after they were not able to use the postwar turn to Kekkonen. He does not want to see the Conservatives, who earlier opposed him bitterly, in the Government, not

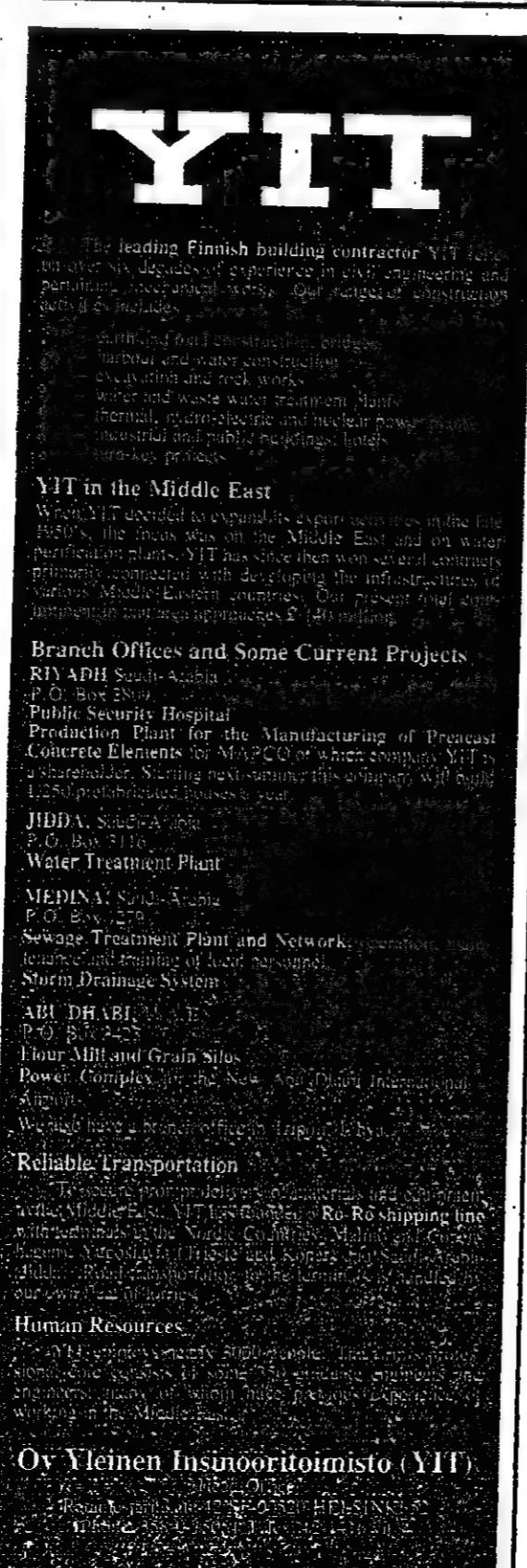


Tuomiokirkko Cathedral in Senate Square, Helsinki.

The Finnish building and engineering professionals, whose know-how and experience you can trust.



We have been
in the Middle East
since 1958.



YIT
YIT is the leading Finnish building contractor. YIT has over 50 years of experience in civil engineering and port facilities, shipyards, power plants, industrial construction and mining.

YIT has built dams, hydroelectric power plants, industrial and water treatment plants, thermal and nuclear power plants, industrial and public buildings, ports and key projects.

Branch Offices and Some Current Projects

ABU DHABI, United Arab Emirates
P.O. Box 5100
Public Security Hospital

Production Plant for the Manufacturing of Precast Concrete Elements for MAPCO, a water company. YIT is a shareholder. Starting next summer this company will build 1,250 prefabricated houses a year.

JIDDA, Saudi Arabia
P.O. Box 5100
Water Treatment Plant

MEDINA, Saudi Arabia
P.O. Box 5100
Sewage Treatment Plant and Network, operation, maintenance and training of local personnel.

Storm Drainage System

ABU DHABI, United Arab Emirates
P.O. Box 5100
Flour Mill and Grain Silos
Power Complex for the New Abu Dhabi International Airport

We also have a branch office in Abu Dhabi.

Reliable Transportation

To ensure prompt delivery of materials and equipment to the Middle East, YIT has founded a Ro-Ro shipping line with terminals in the Nordic Countries, Middle East, Europe, Japan, Australia, USA and Korea. YIT Sea Transport, a joint venture of YIT and Kvaerner Sea Transport, handles Ro-Ro cargo traffic in the countries of the Middle East.

Human Resources

YIT employs nearly 5000 workers. The company has a strong tradition of employing expatriate engineers and technicians, many of whom have extensive experience working in the Middle East.

On Yleinen Insinööritoimisto (YIT)

Head Office: Helsinki, Cables: 60703 Telex: General 12407

Foreign exchange: 12525 Eurobonds

Banks must learn to live with shrinking profits

by Ronald Pullen

Three years of hard labour for the Finnish economy as a whole has inevitably left its mark on the banking sector, the more so because with precious little room for manoeuvre under a singularly stiff monetary policy the banks have been first in the firing line of government measures to close the yawning current account gap and curb inflation.

With the backdrop of a weak economy, the banks have had to forgo any plans for expansion since their lending base has been constricted by tight credit control conditions and the deposit base has been hampered by the sharp drop in the propensity to save in Finland.

Commercial banks in particular have found themselves in a tight spot since they have had to put high priority on cutting back their excess borrowing from the central bank to protect profitability, which fell sharply last year as a result of the penalty rates of interest charged by the Bank of Finland. At the same time the Finnish banks are trying to meet their obligations to industry with whom they traditionally have a close working relationship.

Coupled with wage and other cost pressures, the overall picture for the past two years has been one of shrinking commercial banking.

Liquidity, too, has been severely strained over the

past two years. Although cash reserve and solvency ratios are well within the minimum requirements of the 1969 Commercial Banking Act, both the largest commercial banks have gone in for fund-raising exercises. Kansallis-Osake-Pankki (KOP) in 1975 launched the biggest equity issue in Finland, raising Fmk 234m and both KOP and Union Bank of Finland have made United States \$30m Eurobonds this year.

There is some pressure on the Government to loosen the monetary strings and indeed the September devaluation package did include a 1 per cent cut in the discount rate and accompanying reductions in other lending and deposit rates.

But the Finnish economy has so far stubbornly refused to respond to defiance. The high inflation and unemployment makes it likely that the banks will have to live with a tight monetary regime for some time to come.

Moreover, the Government has little scope to increase further the level of personal and corporate taxation without rendering their already short lives even more ephemeral. The emphasis, therefore, is likely to continue to rest on lending on monetary policy. Indeed, the Bank of Finland has gone to some lengths to

spell this out.

With a fairly small

national debt to play with,

the absence of other monetary instruments like Government bonds and the small amount of state bonds com-

pared with the assets of the

banks, the chief means at the disposal of the Bank of Finland's directors to impose its will on the banking system is the fairly direct one of determining the terms on which it will lend to the commercial banks.

For a developed money market and a strictly controlled capital money market means that the commercial banks have only two sources of funds—deposits or deposits of the central bank.

For the past three years the

commercial banks have been trying to adjust to the pro-

gressive lowering of central bank

interest rates and the credit it will allow.

In October, 1975, faced with an acute balance of payments crisis, the quotas were reduced from Fmk 2,800m to Fmk 2,500m. In July last year they were further cut to Fmk 2,300m and this year they have been lowered in two equal stages to Fmk 1,900m although this has been due in part to a need to soak up excess liquidity in the system as a result of the dismantling of the import deposits scheme.

The basic rate for central bank deposits has been 9½ per cent for the past four and a half years but once the commercial banks exceed their limit, the interest rate rises steeply to a maximum of between 25 and 30 per cent. As this cannot be passed on to customers the basic rate for central bank deposits has cut into profits to the extent of Fmk 100m in 1976.

This year, however, the burden will have been re-

duced as the commercial banks have been given added incentives to adjust their borrowings to central bank targets and profitability will be greater to the extent that they have managed to do this.

Apart from the quota system the central bank has a battery of other controls over the banking system, including qualitative guidelines on who should be allowed to obtain credit. The guidelines in force at present emphasize that credit should be granted only to satisfy working capital needs of industry and that in general loans to non-productive investment, consumption and service industries should be curtailed.

The Bank of Finland also keeps rigid control over foreign borrowings, which continue to be steadily contracted. Short-term credits are still widely permitted, but long-term foreign credits need to soak up excess liquidity in the system as a case-by-case basis.

Yet there is more to the banking system than just the commercial banks, even if they account for 37 per cent of total deposits and are responsible for the lion's share of foreign trade

lending. The second most important category is the 380 savings banks, followed by the 380 cooperative banks which account for 27 and 22 per cent respectively of deposits. The smallest group is the state-owned banks with 14 per cent of deposits. More on the fringe are the

half-dozen mortgage credit institutions, the insurance companies and development standing feature, there is a premium on other banking operations linked with foreign trade.

For Union Bank the main development of the last year has been the establishment of a wholly-owned subsidiary in Luxembourg, Union Bank of Luxembourg, a national. As well as helping to finance Finnish trade and investment projects, the subsidiary is heavily involved in the syndication of international loans. In addition to representative offices in the main financial centres Union's chief involvement is through its affiliates Scandinavian Bank in London and the Geneva-based Banque Scandinave en Suisse.

KOP's overseas operations also lay the main emphasis on assisting the export effort of Finnish companies. The most important link is through the London-based Nordic Bank, which has recently been expanding in Singapore, as well as carving out a share of the increasingly important leasing market by setting up a subsidiary in Amsterdam.

Elsewhere, all the above-mentioned commercial banks have a growing involvement in Europe, although for the past 18 months their share of the market has been eroded by the fact that fewer Finnish companies have used Eurobonds financing—there were only eight issues in 1976 compared with 13 the year before.

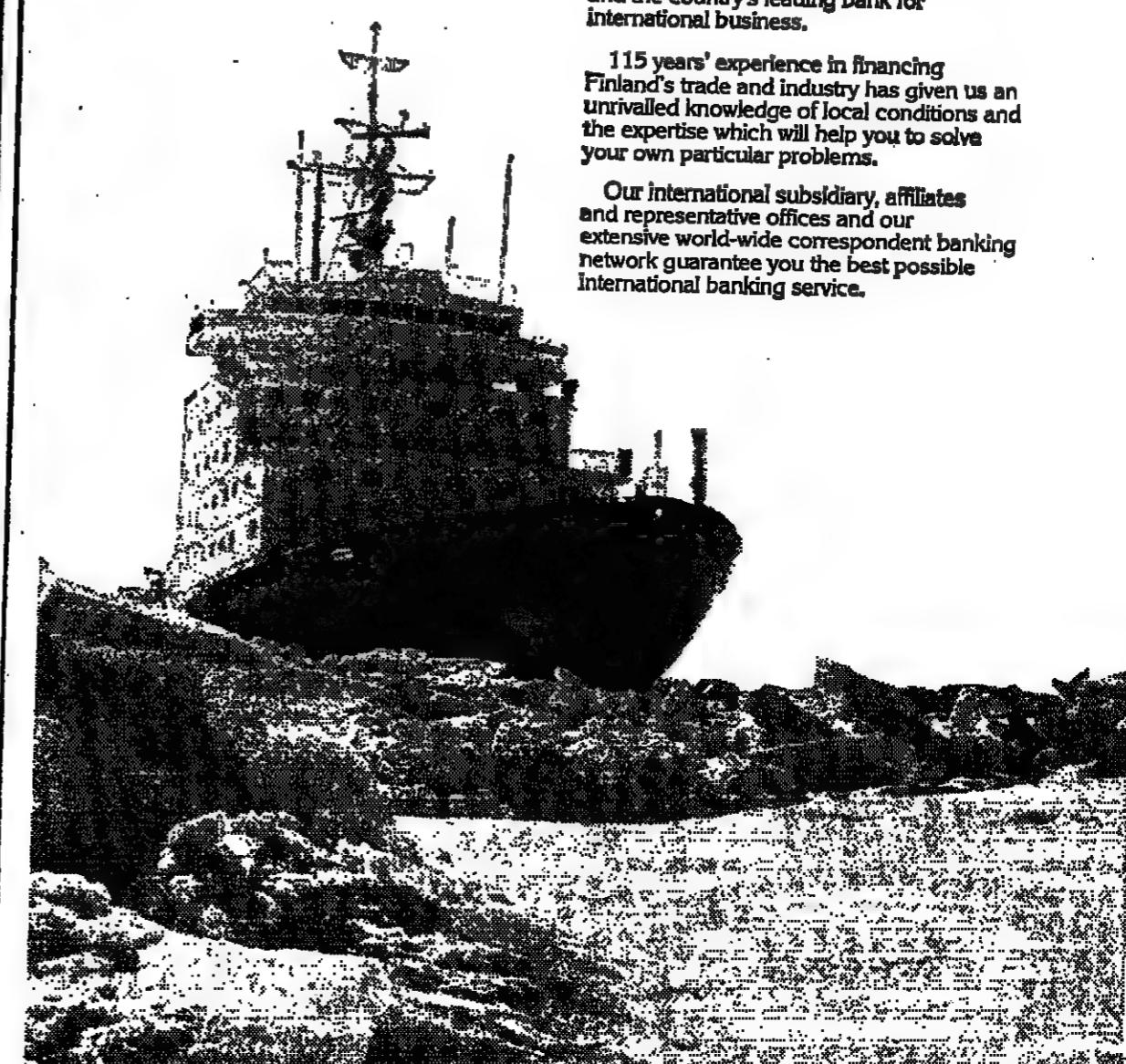
The author is Banking Correspondent, *The Times*.

Why not let us break the ice when you approach the Finnish market.

We are Finland's oldest commercial bank and the country's leading bank for international business.

115 years' experience in financing Finland's trade and industry has given us an unrivalled knowledge of local conditions and the expertise which will help you to solve your own particular problems.

Our international subsidiary, affiliates and representative offices and our extensive world-wide correspondent banking network guarantee you the best possible international banking service.



UNION BANK OF FINLAND

Head Office: Helsinki, Cables: 60703 Telex: General 12407

Foreign exchange: 12525 Eurobonds



Finns jet around in their time machine

Last month Michael Frenchman spoke to a wide cross-section of businessmen to find out what efforts are being made in the private sector to bring Finland out of its economic decline. Until the energy crisis, which in some ways is the best thing that has happened to Finland, most companies adopted a passive attitude to development and sales. Now the pattern is changing and more and more Finns have been forced to come out into the world and to develop export markets, particularly invisibles.

In the business world, in the north of Finland, just below the Arctic Circle, that the forest industry is developing — the time Some Finns have been only themselves put it: "We sell time, that's also our biggest cost". Time is consultancy and in the past three or four years Finnish consultants have been carrying a growing revolution in exports. From South America to Saudi Arabia, from Afghanistan to Zambia, the quality. There are to be found giving advice on building anything from waste disposal plants to military barracks, hotels and pulp mills in the Soviet Union and a ship repairing yard in Vietnam.

"We feel it is in our company's interest and in the national interest to go abroad, but we are afraid to go outside."

—Norval Wasterberg, vice-president of EKONO (energy consultants)

All this represents a change from the past when the country had relied on the traditional forest industries — timber, pulp and paper — for the bulk of its exports. But because of the energy crisis and a decline in the economies of Western Europe, demand for the forest products fell.

The situation was exacerbated by many new mills coming on stream after an intensive capital development programme in the forest industries which led to severe overcapacity in both pulp and timber sectors. Furthermore, what amounts to "dumping" (according to some Finns) of North American, particularly United States, pulp and paper products in Europe has severely handicapped both Swedish and Finnish forest industry producers.

"We sell time, that's our product, but it is also our biggest cost."

—Juha Suonelahti, managing director of Finncosult (a consultancy group)

With some mills about to go on a four-day week and few operating at more than about 65 per cent capacity, the situation is grim and does not look like improving for some time. The only glimmer of hope is in the sawmills division where exports to Britain, the main market, should pick up after an expected improvement in the housing position next year.

Typical of the position that some mills find themselves is Kemi Oy at Kemi

believed will allow the company to import up to one million tonnes of oil a year for the next three years from the Claymore field, in which Thomson has a 20 per cent interest. This is almost the whole of Thomson's share in the production of oil from this field.

"It is a question of survival. We should do more to export. Few managers see the true situation. We accept everything too easily. We must be forced into a corner before we do anything. Now we are learning, I hope not too late."

—Aksa Tirkka, managing director, EKONO, diversified manufacturing group

"They have just not spent enough on product development, they have not looked to the future", Mr Raade, whose comments are often controversial, declares. From the top of his hill, Mr Raade, known locally as "Raade's tooth", his Purhola home, he believes politicians and businessmen alike: "I am a problem, I am one of Finland's problems", he asserts mischievously. "From where he looks it is clear that Finland must diversify as far as products and exports are concerned."

"We are changing now as a nation, but it is coming late. We are learning the hard way. It is easier for Neste", and he goes on to explain that with Finland's only 4,750,000 population of only 4,750,000 it is fairly straightforward to estimate its energy demands. Last year the country imported about 11 million tonnes of crude, more than 80 per cent from the Soviet Union and the remainder, some from small quantities, from the Middle East. There is no likely to be a significant increase in consumption."

—Casimir Ehrnrooth, managing director, Kaukas (pulp manufacturers)

"There must be further devaluation. If the Government had realized our position in 1974, corrective measures could have been introduced to safeguard the pulp and paper industry. The medicine will now be so bitter. Furthermore, the strong influence of the communists in unions creates friction and affects production."

—Casimir Ehrnrooth, managing director, Kaukas (pulp manufacturers)

In an astute move with Thomas Scott's Association, part of The Thomson Organisation, one of the largest purchasers of Finnish newsprint (some 50,000 tonnes a year), Neste has recently concluded a deal which it is

believed will allow the company to import up to one million tonnes of oil a year for the next three years from the Claymore field, in which Thomson has a 20 per cent interest. This is almost the whole of Thomson's share in the production of oil from this field.

"It is a question of survival. We should do more to export. Few managers see the true situation. We accept everything too easily. We must be forced into a corner before we do anything. Now we are learning, I hope not too late."

—Aksa Tirkka, managing director, EKONO, diversified manufacturing group

"They have just not spent enough on product development, they have not looked to the future", Mr Raade, whose comments are often controversial, declares. From the top of his hill, Mr Raade, known locally as "Raade's tooth", his Purhola home, he believes politicians and businessmen alike: "I am a problem, I am one of Finland's problems", he asserts mischievously. "From where he looks it is clear that Finland must diversify as far as products and exports are concerned."

"We are changing now as a nation, but it is coming late. We are learning the hard way. It is easier for Neste", and he goes on to explain that with Finland's only 4,750,000 population of only 4,750,000 it is fairly straightforward to estimate its energy demands. Last year the country imported about 11 million tonnes of crude, more than 80 per cent from the Soviet Union and the remainder, some from small quantities, from the Middle East. There is no likely to be a significant increase in consumption."

—Casimir Ehrnrooth, managing director, Kaukas (pulp manufacturers)

"There must be further devaluation. If the Government had realized our position in 1974, corrective measures could have been introduced to safeguard the pulp and paper industry. The medicine will now be so bitter. Furthermore, the strong influence of the communists in unions creates friction and affects production."

—Casimir Ehrnrooth, managing director, Kaukas (pulp manufacturers)

In an astute move with Thomas Scott's Association, part of The Thomson Organisation, one of the largest purchasers of Finnish newsprint (some 50,000 tonnes a year), Neste has recently concluded a deal which it is

believed will allow the company to import up to one million tonnes of oil a year for the next three years from the Claymore field, in which Thomson has a 20 per cent interest. This is almost the whole of Thomson's share in the production of oil from this field.

"It is a question of survival. We should do more to export. Few managers see the true situation. We accept everything too easily. We must be forced into a corner before we do anything. Now we are learning, I hope not too late."

—Aksa Tirkka, managing director, EKONO, diversified manufacturing group

"They have just not spent enough on product development, they have not looked to the future", Mr Raade, whose comments are often controversial, declares. From the top of his hill, Mr Raade, known locally as "Raade's tooth", his Purhola home, he believes politicians and businessmen alike: "I am a problem, I am one of Finland's problems", he asserts mischievously. "From where he looks it is clear that Finland must diversify as far as products and exports are concerned."

"We are changing now as a nation, but it is coming late. We are learning the hard way. It is easier for Neste", and he goes on to explain that with Finland's only 4,750,000 population of only 4,750,000 it is fairly straightforward to estimate its energy demands. Last year the country imported about 11 million tonnes of crude, more than 80 per cent from the Soviet Union and the remainder, some from small quantities, from the Middle East. There is no likely to be a significant increase in consumption."

—Casimir Ehrnrooth, managing director, Kaukas (pulp manufacturers)

"There must be further devaluation. If the Government had realized our position in 1974, corrective measures could have been introduced to safeguard the pulp and paper industry. The medicine will now be so bitter. Furthermore, the strong influence of the communists in unions creates friction and affects production."

—Casimir Ehrnrooth, managing director, Kaukas (pulp manufacturers)

In an astute move with Thomas Scott's Association, part of The Thomson Organisation, one of the largest purchasers of Finnish newsprint (some 50,000 tonnes a year), Neste has recently concluded a deal which it is

believed will allow the company to import up to one million tonnes of oil a year for the next three years from the Claymore field, in which Thomson has a 20 per cent interest. This is almost the whole of Thomson's share in the production of oil from this field.

"It is a question of survival. We should do more to export. Few managers see the true situation. We accept everything too easily. We must be forced into a corner before we do anything. Now we are learning, I hope not too late."

—Aksa Tirkka, managing director, EKONO, diversified manufacturing group

"They have just not spent enough on product development, they have not looked to the future", Mr Raade, whose comments are often controversial, declares. From the top of his hill, Mr Raade, known locally as "Raade's tooth", his Purhola home, he believes politicians and businessmen alike: "I am a problem, I am one of Finland's problems", he asserts mischievously. "From where he looks it is clear that Finland must diversify as far as products and exports are concerned."

"We are changing now as a nation, but it is coming late. We are learning the hard way. It is easier for Neste", and he goes on to explain that with Finland's only 4,750,000 population of only 4,750,000 it is fairly straightforward to estimate its energy demands. Last year the country imported about 11 million tonnes of crude, more than 80 per cent from the Soviet Union and the remainder, some from small quantities, from the Middle East. There is no likely to be a significant increase in consumption."

—Casimir Ehrnrooth, managing director, Kaukas (pulp manufacturers)

"There must be further devaluation. If the Government had realized our position in 1974, corrective measures could have been introduced to safeguard the pulp and paper industry. The medicine will now be so bitter. Furthermore, the strong influence of the communists in unions creates friction and affects production."

—Casimir Ehrnrooth, managing director, Kaukas (pulp manufacturers)

In an astute move with Thomas Scott's Association, part of The Thomson Organisation, one of the largest purchasers of Finnish newsprint (some 50,000 tonnes a year), Neste has recently concluded a deal which it is

believed will allow the company to import up to one million tonnes of oil a year for the next three years from the Claymore field, in which Thomson has a 20 per cent interest. This is almost the whole of Thomson's share in the production of oil from this field.

"It is a question of survival. We should do more to export. Few managers see the true situation. We accept everything too easily. We must be forced into a corner before we do anything. Now we are learning, I hope not too late."

—Aksa Tirkka, managing director, EKONO, diversified manufacturing group

"They have just not spent enough on product development, they have not looked to the future", Mr Raade, whose comments are often controversial, declares. From the top of his hill, Mr Raade, known locally as "Raade's tooth", his Purhola home, he believes politicians and businessmen alike: "I am a problem, I am one of Finland's problems", he asserts mischievously. "From where he looks it is clear that Finland must diversify as far as products and exports are concerned."

"We are changing now as a nation, but it is coming late. We are learning the hard way. It is easier for Neste", and he goes on to explain that with Finland's only 4,750,000 population of only 4,750,000 it is fairly straightforward to estimate its energy demands. Last year the country imported about 11 million tonnes of crude, more than 80 per cent from the Soviet Union and the remainder, some from small quantities, from the Middle East. There is no likely to be a significant increase in consumption."

—Casimir Ehrnrooth, managing director, Kaukas (pulp manufacturers)

"There must be further devaluation. If the Government had realized our position in 1974, corrective measures could have been introduced to safeguard the pulp and paper industry. The medicine will now be so bitter. Furthermore, the strong influence of the communists in unions creates friction and affects production."

—Casimir Ehrnrooth, managing director, Kaukas (pulp manufacturers)

In an astute move with Thomas Scott's Association, part of The Thomson Organisation, one of the largest purchasers of Finnish newsprint (some 50,000 tonnes a year), Neste has recently concluded a deal which it is

believed will allow the company to import up to one million tonnes of oil a year for the next three years from the Claymore field, in which Thomson has a 20 per cent interest. This is almost the whole of Thomson's share in the production of oil from this field.

"It is a question of survival. We should do more to export. Few managers see the true situation. We accept everything too easily. We must be forced into a corner before we do anything. Now we are learning, I hope not too late."

—Aksa Tirkka, managing director, EKONO, diversified manufacturing group

"They have just not spent enough on product development, they have not looked to the future", Mr Raade, whose comments are often controversial, declares. From the top of his hill, Mr Raade, known locally as "Raade's tooth", his Purhola home, he believes politicians and businessmen alike: "I am a problem, I am one of Finland's problems", he asserts mischievously. "From where he looks it is clear that Finland must diversify as far as products and exports are concerned."

"We are changing now as a nation, but it is coming late. We are learning the hard way. It is easier for Neste", and he goes on to explain that with Finland's only 4,750,000 population of only 4,750,000 it is fairly straightforward to estimate its energy demands. Last year the country imported about 11 million tonnes of crude, more than 80 per cent from the Soviet Union and the remainder, some from small quantities, from the Middle East. There is no likely to be a significant increase in consumption."

—Casimir Ehrnrooth, managing director, Kaukas (pulp manufacturers)

"There must be further devaluation. If the Government had realized our position in 1974, corrective measures could have been introduced to safeguard the pulp and paper industry. The medicine will now be so bitter. Furthermore, the strong influence of the communists in unions creates friction and affects production."

—Casimir Ehrnrooth, managing director, Kaukas (pulp manufacturers)

In an astute move with Thomas Scott's Association, part of The Thomson Organisation, one of the largest purchasers of Finnish newsprint (some 50,000 tonnes a year), Neste has recently concluded a deal which it is

believed will allow the company to import up to one million tonnes of oil a year for the next three years from the Claymore field, in which Thomson has a 20 per cent interest. This is almost the whole of Thomson's share in the production of oil from this field.

"It is a question of survival. We should do more to export. Few managers see the true situation. We accept everything too easily. We must be forced into a corner before we do anything. Now we are learning, I hope not too late."

—Aksa Tirkka, managing director, EKONO, diversified manufacturing group

"They have just not spent enough on product development, they have not looked to the future", Mr Raade, whose comments are often controversial, declares. From the top of his hill, Mr Raade, known locally as "Raade's tooth", his Purhola home, he believes politicians and businessmen alike: "I am a problem, I am one of Finland's problems", he asserts mischievously. "From where he looks it is clear that Finland must diversify as far as products and exports are concerned."

"We are changing now as a nation, but it is coming late. We are learning the hard way. It is easier for Neste", and he goes on to explain that with Finland's only 4,750,000 population of only 4,750,000 it is fairly straightforward to estimate its energy demands. Last year the country imported about 11 million tonnes of crude, more than 80 per cent from the Soviet Union and the remainder, some from small quantities, from the Middle East. There is no likely to be a significant increase in consumption."

—Casimir Ehrnrooth, managing director, Kaukas (pulp manufacturers)

"There must be further devaluation. If the Government had realized our position in 1974, corrective measures could have been introduced to safeguard the pulp and paper industry. The medicine will now be so bitter. Furthermore, the strong influence of the communists in unions creates friction and affects production."

—Casimir Ehrnrooth, managing director, Kaukas (pulp manufacturers)

In an astute move with Thomas Scott's Association, part of The Thomson Organisation, one of the largest purchasers of Finnish newsprint (some 50,000 tonnes a year), Neste has recently concluded a deal which it is

believed will allow the company to import up to one million tonnes of oil a year for the next three years from the Claymore field, in which Thomson has a 20 per cent interest. This is almost the whole of Thomson's share in the production of oil from this field.

"It is a question of survival. We should do more to export. Few managers see the true situation. We accept everything too easily. We must be forced into a corner before we do anything. Now we are learning, I hope not too late."

—Aksa Tirkka, managing director, EKONO, diversified manufacturing group

"They have just not spent enough on product development, they have not looked to the future", Mr Raade, whose comments are often controversial, declares. From the top of his hill, Mr Raade, known locally as "Raade's tooth", his Purhola home, he believes politicians and businessmen alike: "I am a problem, I am one of Finland's problems", he asserts mischievously. "From where he looks it is clear that Finland must diversify as far as products and exports are concerned."

"We are changing now as a nation, but it is coming late. We are learning the hard way. It is easier for Neste", and he goes on to explain that with Finland's only 4,750,000 population of only 4,750,000 it is fairly straightforward to estimate its energy demands. Last year the country imported about 11 million tonnes of crude, more than 80 per cent from the Soviet Union and the remainder, some from small quantities, from the Middle East. There is no likely to be a significant increase in consumption."

—Casimir Ehrnrooth, managing director, Kaukas (pulp manufacturers)

"There must be further devaluation. If the Government had realized our position in 1974, corrective measures could have been introduced to safeguard the pulp and paper industry. The medicine will now be so bitter. Furthermore, the strong influence of the communists in unions creates friction and affects production."

—Casimir Ehrnrooth, managing director, Kaukas (pulp manufacturers)

In an astute move with Thomas Scott's Association, part of The Thomson Organisation, one of the largest purchasers of Finnish newsprint (some 50,000 tonnes a year), Neste has recently concluded a deal which it is

believed will allow the company to import up to one million tonnes of oil a year for the next three years from the Claymore field, in which Thomson has a 20 per cent interest. This is almost the whole of Thomson's share in the production of oil from this field.

"It is a question of survival. We should do more to export. Few managers see the true situation. We accept everything too easily. We must be forced into a corner before we do anything. Now we are learning, I hope not too late."

—Aksa Tirkka, managing director, EKONO, diversified manufacturing group

"They have just not spent enough on product development, they have not looked to the future", Mr Raade, whose comments are often controversial, declares. From the top of his hill, Mr Raade, known locally as "Raade's tooth", his Purhola home, he believes politicians and businessmen alike: "I am a problem, I am one of Finland's problems", he asserts mischievously. "From where he looks it is clear that Finland must diversify as far as products and exports are concerned."

"We are changing now as a nation, but it is coming late. We are learning the hard way. It is easier for Neste",

Bold plans bring reward of higher production

by Peter Hill

At a time when the world's steel makers are facing a crisis of enormous proportions, with companies recording huge losses and demand for steel sinking to new low levels, it is surprising to find that Finland's iron and steel industry (small, though it is) is actually hitting its production.

In the first nine months of this year the Finnish industry, which in the basic iron and steel sector is largely state-controlled, increased production by 33.2 per cent compared with the corresponding period of last year. Output increased from 1,164,000 tonnes in the first nine months of 1976 to 1,550,000 tonnes in the corresponding period of this year, according to the latest figures published by the International Iron and Steel Institute. In September production rose by almost 45 per cent compared with levels achieved in September 1976, with crude steel production amounting to 200,000 tonnes.

Last year the industry's total crude steel production amounted to 1,500,000 tonnes with the basic oxygen steel-making process accounting for more than three quarters of production, and the balance made up by production from electric arc furnaces and open hearth plants. The rise in crude steel production reflects the substantial expansion programme set in hand by Rautaruukki some years ago and which when finally completed will make the company's Raase works the largest in any of the Nordic countries.

This year has also seen the completion of a new stainless steel plant at Tornio, close to the Finnish-Swedish border in the north of the country which was been undertaken by Outokumpu, which has been primarily concerned with the production of non-ferrous metals. Also state-controlled, Outokumpu plans to seek market outlets for much of its stainless steel on the international market.

But while production has been more buoyant than in many other steel producing countries, the Finnish industry is not without its problems. Last year the Finnish Government was obliged to agree to provide subsidies

to Outokumpu until 1980 because the company's production was insufficient to meet interest payments on loans. Rautaruukki recorded a loss last year of Fmks 2.5m against a profit in the previous year of Fmks 3m although the company's turnover increased by about Fmks 11.5m to Fmks 94.5m.

The company's bold development plans are now in their initial stages and represent an interesting mixture of Soviet and western technologies with Britain's Davy-Sewey among the important contractors. It was seven years ago that the company decided to double the capacity at the Raase works, lifting output to 1,700,000 tonnes—and construction work began in 1972.

Russia provided the 2,300,000 tonnes sintering plant along with two blast furnaces and continuous casting machines while Davy provided the rolling mill which has a capacity of 500,000 tonnes of hot-rolled plate and 1,100,000 tonnes of cold-rolled coils. The British company is also providing the equipment for the expansion of the company's strip mill works at Raahe. Rautaruukki has also built a new plate plant at Oulainen near Raase.

The company estimates that about 855,000 tonnes of production from the expanded operation will be for the domestic market and about 500,000 tonnes earmarked for export markets although in the present state of the market internationally the group could face serious problems in disposing of the export production, particularly since most steel industry observers do not expect any significant upturn in demand for some years ahead.

A year ago the Finnish company, which now operates three Davy flat products mills, signed an agreement with the British steelworks plant contractor under which the Finnish firm will train manpower and provide technical assistance for the commissioning of similar mills in third countries. Rautaruukki signed a similar pact with the Soviet suppliers earlier this year and this might well herald an unusual tripartite partnership in third countries.

Meanwhile, Outokumpu's new stainless steel development at Tornio was formally commissioned in May after being in operation for more than a year with production at the new plant running at

about 20,000 tonnes a year.

Investment in the new bars and special steels. Last year the company turned in a loss of Fmks 3.5m after a slab form is being hot rolled on the semi-continuous wide strip mill at Rautaruukki at Raase, then returned in coil form for cold reduction at the Tornio plant.

The new stainless works at Tornio will have an annual capacity of 50,000 tonnes a year and about half is destined to be shipped to export markets. As part of its marketing strategy for the future, the company earlier this year acquired the share capital of Reynolds of London (London) which will be the vehicle used to handle marketing and sales in Britain of the Tornio plant's stainless flat products.

The author is Industrial Correspondent, The Times.



An icebreaker built by Wärtsilä—such specialist ships have been an important source of orders.

Joining other builders out in the cold

A few months ago it seemed of specialized vessels for that Finland's shipbuilding industry might escape the present world crisis in shipbuilding with only cuts and bruises rather than severe wounds. Such optimism is proved to have been misplaced and the Finnish shipyards are now as uncomfortably aware of the massive problems that face the industry as are their competitors elsewhere.

Even the Soviet Union, which for many years has provided Finland with a steady base of work, has been unable to rescue the yards from the grim prospect of a dwindling order book and consequent redundancies which are inevitable unless new orders are obtained.

Like that of almost every other shipbuilding nation, the Finnish order book has been reduced. Between the first and second quarters of this year orders were cut by more than 30,000 tons gross and at mid-year the industry held orders for 94,694 tons gross.

Industrial and government committees have been established to consider the best means of recovery, but even with support measures the going will be hard. Finland almost alone has followed a consistent policy of almost no government support for shipbuilding, and at a time when competing nations have produced a variety of aid and subsidy schemes in order to attract new work, its own industry is clearly placed at considerable disadvantage without a comprehensive framework of state assistance.

The outlook is bleak. The Association of Finnish Shipbuilders has given a warning that the present order book, which includes many of the principal yards, will be largely worked out next year. There is now a serious danger of unemployment in the yards unless attempts to stimulate business on an international market prove successful.

Already this year workers have been laid off, while a certain amount of job restructuring has also taken place. But unless new orders are secured, in the face of severe international competition, 2,000 other workers could be faced with redundancy early next year.

Shipbuilding employs about 18,000 workers in five big companies—Wärtsilä, Rauma-Repol, Valmet, Hollming and Navire. Of these Rauma, Wärtsilä and Valmet each has a number of separate yards. They have achieved an enviable reputation for the construction of highly specialized vessels, including up-to-date icebreakers and cruise liners.

The industry was largely built up after the war, when the reparations paid by Finland to the Soviet Union included nearly 600 vessels. Between 1951 and 1960, the Soviet Union continued to be the biggest customer of Finnish yards, with nearly 1,000 vessels delivered in that period.

But later the construction

are now, like others around the world, considering diversification into the construction of other products. Wärtsilä, for example, has already announced that it is able to build chemical, sugar mills, pulp mills, power plant and cement plants and has submitted tenders to a number of countries. Other yards are likely to follow.

P.H.

These investments have included the construction of a new yard by Wärtsilä near Turku, another new facility by the Valmet group on the outskirts of Helsinki, and the new hull construction facility completed 18 months ago by Navire at Naantali.

Mr Tapio Forsgren, director of the Association of Finnish Shipbuilders, noted that in the past decade the aim has been to build the type of ship that is likely to be in demand, regardless of cyclical fluctuations, and to achieve a permanent market. Vessels which have been built cover a wide range from chemical tankers and liquefied petroleum gas carriers to research vessels, tankers, timber carriers and roll-on, roll-off ferries. An average of 40 to 50 vessels with a total tonnage of about 200,000 gross have been built each year. But this move by Rauma-Repol into the construction of oil drilling rigs in the early part of the decade has boosted annual output, and this year completions are likely to total about 500,000 tons gross.

Exports to the Soviet Union figure largely, and the present trade agreement between the two countries contains a quota for exports to a value of Fmks 6,000m for ships of various types extending from heavy lift vessels and barges to cable ships and accommodation vessels.

Ironically, earlier this year Valmet reversed the general trend in trade with Russia when the company ordered, at a cost of Fmks 30m, a large new floating dock from the Soviet Union which will be used in the group's ship repair activities.

Already this year workers have been laid off, while a certain amount of job restructuring has also taken place. But unless new orders are secured, in the face of severe international competition, 2,000 other workers could be faced with redundancy early next year.

Shipbuilding employs about 18,000 workers in five big companies—Wärtsilä, Rauma-Repol, Valmet, Hollming and Navire. Of these Rauma, Wärtsilä and Valmet each has a number of separate yards. They have achieved an enviable reputation for the construction of highly specialized vessels, including up-to-date icebreakers and cruise liners.

The industry was largely built up after the war, when the reparations paid by Finland to the Soviet Union included nearly 600 vessels. Between 1951 and 1960, the Soviet Union continued to be the biggest customer of Finnish yards, with nearly 1,000 vessels delivered in that period.

But later the construction

LOOKING FOR A BANK IN FINLAND



The author is Industrial Correspondent, The Times.

Contact Postipankki

Total assets at the end of 1976
US \$ 2,464 million
Branches 22 and Offices 311
Personnel 5,431
Accounts 3.2 million

Customers:

All major industrial and commercial companies in the private and public sector. Every other private person has a savings or deposit account in Postipankki.

Complete banking service including

International Payments International Banking
Foreign Trade Finance Eurobond Banking
International Postal Giro Foreign Exchange

POSTIPANKKI

Nordic Bank
London

Total assets in excess of
US \$750 million

We offer finance and advice
in support of
Anglo-Finnish trade

EUROCURRENCY FACILITIES
ECGD AND PROJECT FINANCE
INTERNATIONAL LEASING
FOREIGN EXCHANGE
ADVICE ON NEW VENTURES
AND ACQUISITIONS

You'll find us in London,
Copenhagen, Dubai, Frankfurt,
Hong Kong, Madrid,
New York, Oslo, Sao Paulo,
Singapore, Stockholm
and in Helsinki

Nordic Bank Limited

Head Office

Nordic Bank Limited

Nordic Bank House

41-43 Mincing Lane

London EC3R 7SP

Telephone: 01-626 9561-9

Telex: 887654

Shareholders

Copenhagen Handelsbank

Den norske Creditbank

Asia Pacific Region

Singapore

Nordic Bank Limited

Singapore Branch

Hong Kong

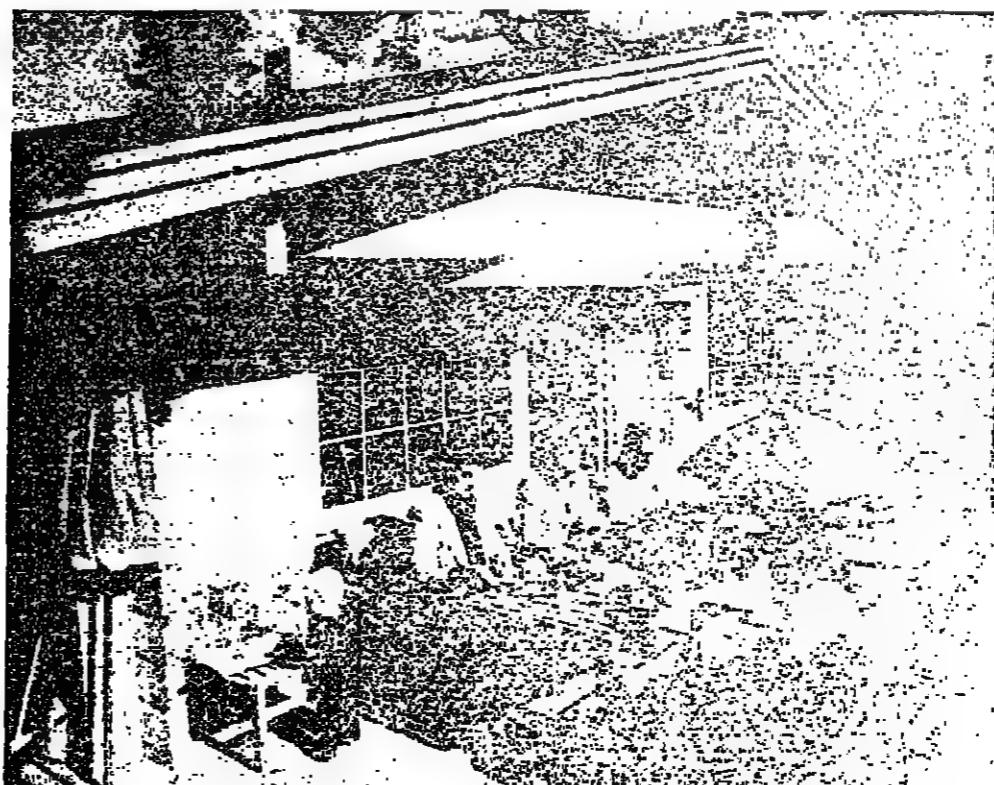
Nordic Asia Limited

If you would like to receive a copy of our guide to investment in the UK, and our recently publicised survey of Nordic companies' experiences in the UK, please write to:

Piers Eley Associate Director, Corporate Finance Department
Kari Jämänen Regional Manager, Finland
at the above address.

A FINNISH LOG HOME FROM KEMI OY

Kemi log homes are made of Lapland timber
hardened in the arctic climate.



For further information on Kemi Oy and its house products,
please contact our representative at the following address:

sole U.K. Distributors W.S. Proudfoot Ltd 16, Uxbridge Road Ealing London W 5 2BP Tel: 01-579 3772

KEMI OY

Kemi Oy
94200 Kemi 20
Finland

market pulp · kraftliner · mottled kraftliner · crude tall oil ·
crude sulphate turpentine · sawn timber ·

The best kind of Finnish steel works manufacturing

PyPHT-Norden Ab is a young but already well thriving and expanding Finnish enterprise particularly in export trade. In a very short time the company has become important in its line in Finland and in the other Scandinavian Countries. The last two years have shown that the high prestige of PyPHT in the market is growing. The company is engaged in the construction of industrial buildings and equipment installation for the industry, manufactures steel structures, boilers and prefabricated pipings and erects different kinds of prefabrications.

The fact that PyPHT is a subsidiary of VTT, the biggest building contractor in Finland, guarantees punctual delivery also in the projects including besides mechanical engineering and building and civil engineering work.

PyPHT has several workshops at Padasjoki, Finland. The total production space covers over 4,000 sq.m., office space about 1,500 sq.m. and storage space about 1,000 sq.m.

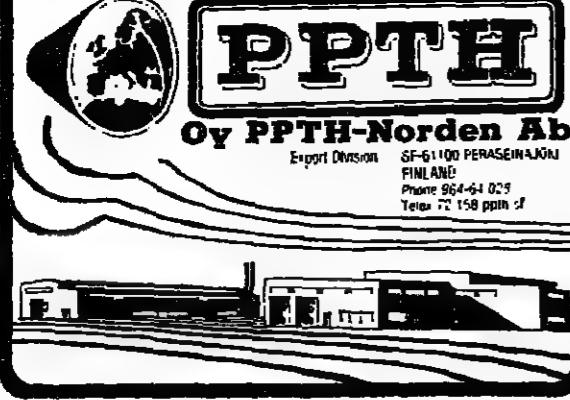
Workshop production comprises mainly:

- steel structures
- pipings
- tanks
- boiler components, smokestacks
- steel framework for buildings
- prefabricated stores, hangars and sheds
- ship's tanks

Engineering works includes separate workshops for glider and plate works - structures, steel and piping.

PyPHT

Oy PyPHT-Norden Ab
Export Division SF-5110 PÄÄSÄÄRÄJÄRVI
FINLAND
Phone 954-64 025
Telex 77 158 pmt



Glider soars on science

by John Mowinski

Advanced technology in design usually demands the size of investment and attendant commercial risks that are not normally associated with small private businesses. Eriavion, a family enterprise, provides an interesting exception in that it has not only taken on and beaten the established competition but researched and refined its product to achieve a level of worldwide success in glider manufacture that places it among the leaders from the point of view of product performance, and in a design class of its own.

The development of Finnish glider manufacture owed more to scientific foresight than commercial foresight. Molino (the company adopted its present title in May of last year) began modest production 15 years ago in Jämijärvi, some 300 km north of Helsinki, using local plywood and craftsmanship. In 1971, when the international rules governing gliding competition

were changed to allow gliders with flaps into the 15 metre class, the Helsinki University of Technology decided to develop a glass fibre prototype primarily for research purposes but with the possibilities for serialized production in mind. Molino subsequently decided to join the project which was designated the PIK 20 (PIK representing the initials of the University Flying Club).

The prototype was flown competitively in Australia in January 1973 where it was placed a promising thirteenth, and serial production of this, the world's first flapped 15 metre glider, was started the next year.

New technology has become a strong feature in the development of Eriavion's PIK 20 glider series. The PIK 20A was wholly constructed from glass fibre, the B model was the first application of carbon fibre components and use of this revolutionary new material became standard on the current D model. The ability to employ a sandwich construction in the manufacture of the gliders in addition to the use of carbon fibre for the main wing spar and a number of other components, has been made possible to a large extent through the extensive research undertaken by the Helsinki University of Technology.

Because the university is not involved in time and fund-consuming space research, it has been able to maintain close cooperation with Eriavion and it is this unusual and essential relationship that forms the key to that company's successful development of advanced glider technology. Carbon fibre and special heat-treated epoxy resin laminates are combined to produce a proportionately light machine, compared to any other in that class, and at the same time a strong glider, incorporating advances in aerodynamic design which have given it high performance together with docile handling qualities.

These attributes were fully endorsed by Mr Bill Bedford, chief test pilot on Hawker Siddeley Aircraft from 1956 to 1967, who recently evaluated the glider

in Finland at the invitation of Eriavion.

Even in the infancy of the PIK 20, the superiority of the glider soon became apparent. With initial availability of the PIK 20 often limiting the glider to a single entry in the various national gliding championships, it was nevertheless gaining first placings.

Among many distinctions, the PIK 20 scored out to win the national championships in the United States, Finland, Britain, Australia, New Zealand and Denmark.

Perhaps crowning these achievements to date was the spectacular victory

scored by the PIK in the 1976 World Gliding Championships held at Rågåsbyn in Finland.

After only two days the six leading positions were occupied by PIK 20s and the Finnish glider went on to take the first, second, third and fifth positions in the final result.

Eriavion sees the PIK 20 penetrating many areas of the world where gliding conditions are ideal but difficult terrain greatly restricts conventional launching and landing.

A technological lead is difficult to maintain. Two years ago the PIK was in a class of its own but now other manufacturers produce 15-metre flapped gliders. Eriavion remains the only glider manufacturer to use carbon fibre technology but even there Esko Grönlund, the sales manager, sees his company's lead eventually being caught. West Germany for instance, with 40 years of glider manufacture experience, maintains a strong competitive presence.

However, Esko Grönlund firmly believes that Eriavion's position will remain buoyant as a result of continued research on product improvement, and market position achieved as sellers of a complete service to gliding enthusiasts worldwide. In his words "sound marketing and information is essential to cultivate the taste of the gliding world". The PIK gliders, backed by a motivated and closely knit work force, seem excellently placed to meet that growing taste.

Part of the deal will be an offset agreement under which Britain will buy Finnish-made goods, and the Finnish aircraft industry will make some parts of the Hawks which go into service with its air force.

Hawker, which has established offset sales offices in

Kingston upon Thames and in Helsinki through its agents, Machinery Oy, has given only one year to

find the £100m compensatory

sources, but according to

sources in Finland there is

every indication that the

The compensation arrangements for the Hawk contract give Finnish exporters an opportunity to sell £100m worth of goods to Britain. Hawker Siddeley, which has established offset sales offices in Kingston upon Thames and Helsinki, is confident it will be able to meet the offset requirements in time to conclude the deal.

Britain wins jet trainer sales dog-fight

by Arthur Reed

The Finnish Air Force has become the first of what the British aircraft industry hopes will be many overseas customers for the Hawk, a lightweight jet trainer which is being produced by Hawker Siddeley within British Aerospace, the nationalized compa-

nies. The Finns chose the Hawk after an intense international competition involving aircraft being developed by the Swedes, French, Czechs and Italians. The selection of the British machine by such an advanced air force is considered to be a considerable accolade for its designers who are perpetuating a distinguished line of ground-attack/fighter aircraft, among them the Hurricane and the

company will be able to fulfil its obligations.

There is some criticism that Finnish industry has failed to take full advantage of the export opportunities that the compensatory terms offer. Hawker, with its worldwide network of agencies and representation

is able to offer sales back

up and marketing skills on a

scale totally unknown to most

of the Finnish companies.

One Finnish businessman

believes that the general

attitude to the offset

opportunities is typical of

the passive sales attitude

that affects his country's export

industries. "We still wait for

customers to come to us

rather than going out and

looking for them", he says.

So far the offset offices

have looked at more than

500 Finnish products and

many more are in the

process of being considered.

In some instances the only help

that Hawker has received

from world-wide exporters

hoping to cash in on the

deal is a simple sales leaflet

with little or no information

about the product and cer-

tainly nothing about produc-

tion capability and pric-

ing.

One of the crucial offset

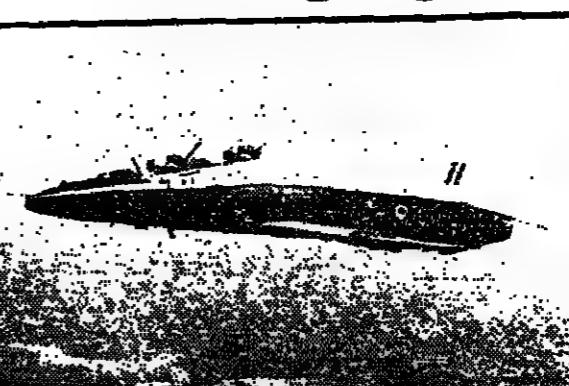
negotiations revolves around

the establishment of

a television tube manu-

facturing company called

Valco, which has a 20 per



their aerospace will be able to "plug in" to the far bigger and more experienced aircraft industry of Britain. There is little doubt that, given good will on both sides, other joint aircraft projects, both military and civil, could flow from the plan.

Although British Aerospace hope to sell the Hawk to many other countries abroad, and are in negotiation with several, the RAF is the only other customer for it so far.

A fixed-price contract for 175 Hawks was placed for the RAF in March 1972, and the first aircraft flew a half year later. The first and second production aircraft flew in the following spring. No prototype or pre-production aircraft were produced, as is usual with a new aircraft of this type. Instead, the first six off the assembly line were used by BSA and the Aircraft and Armament Experimental Establishment for the developmental flight test programme.

Production for the RAF will continue at three or four a month until about 1980, when the order will be completed. By that time, the British aircraft industry hopes that the Finnish order will have been joined by a number of other overseas purchases to keep the assembly line active until well into the late 1980s, or even the 1990s.

The Hawk is powered by one Rolls-Royce Turbomeca Adour 151 turbofan, a product of an Anglo-French aerospace project generating 5,340lb of thrust.

This gives the aircraft a maximum speed of 617 mph at 35,000ft. Time taken to climb to 50,000ft is 10 minutes.

The author is Air Correspondent, The Times.

Inflation—but diet returns to roots

by Leena Fields

is to fry it, or bake it casseroles-like in the oven, together with slices of potato, onion, and egg, whipped in milk. Stuffed pike, stewed burbot, bream cooked in foil, hake at the rest of the range.

Moderna mobility has confused the regional culinary pattern. Cheeses from Kainuu (central north) and reindeer from the far north are found in southern Finnish pizzerias and hamburgh houses. But the Finnish cuisine has enviable distinctiveness. Above all there are regional dishes, honourable preservers of traditional eating habits, which at their best combine unfussy simplicity with geographical variation.

The traveller who approaches Finland over the Baltic gains the best impression of the richness of the Finnish table. The standing table—*smörgåsbord* (voirteripöytä).

Finland is the pride of every Finn, a gift to the nation. Unavoidable, it entangles diners into excess. Cunning tourists find methods of saving some of its delicacies for less bountiful days: the idea is to eat as much as you can, in your own favourite order. The table seemingly offers everything: fish, meat, salad, vegetables, bread, and cheeses—all served in countless delectable varieties.

After the culinary luxury of the *smörgåsbord*, other plates are welcome because of the high price rises triggered by recent inflation. The expense of meat in particular is leading the housewife back to traditional grains and roots and reasonably priced fish.

Nutritionists approve this trend, though less acceptable habits live on. Meat is often consumed in the form of greasy sausage; in general, fats are used to excess, fruit and vegetables too little. Latest surveys indicate some slight improvement, but the typical Finn still eats too few vegetables—just seven grammes daily a head. The fruit intake is somewhat less meagre, being fairly cheap: in some springs a kilo of imported oranges costs less than the same weight in home-grown potatoes.

The "home's best" tag applies throughout the world. For all its straightforwardness, Finnish everyday food can offer rich flavours. A large variety of soups—pea, meat, fish and so on—is marched in popularity by casseroles, milk dishes, and "mum's meat-balls". The diet has always been built around a staple of bread and potatoes, which are tending to reinforce their position.

The Finnish cuisine's best raw material is fish. There are lots to choose from. The Baltic herring may seem mundane, but experts say you can prepare 100 different dishes from it. The least cumbersome way

is to incorporate into the menu.

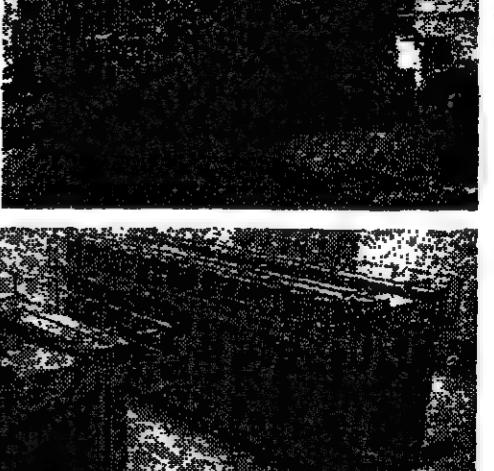
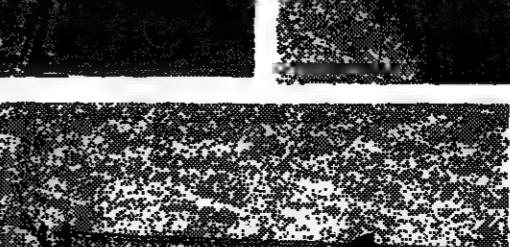
Karelian stew, one of Finland's best meat dishes, is a must. In the west coast, in Oulu, the fish dip, a casserole with a yellow cheese—brown, melted, silvered—in their coffee.

In the south-west sausages are in great demand; southerners go for herring, bought at the autumn market direct from fishermen's boats, both fresh and

rested in marinade.

In Finland the changes between seasons are strongly marked, giving rhythm to the diet and eagerly awaited seasonal dishes. Easter tide brings lamb, colourfully decorated eggs, and *matoneva*, a black, sweet malt dish which provokes peculiar reactions from foreigners.

New potatoes, eaten in jackets with dill and butter, are the main delight of early summer.



ELEMATIC EQUIPMENT AND METHODS

A rational approach to industrial building

- battery moulds and complete battery mould units, including bucket conveyors for concrete and casting machines for efficient charging of the battery moulds
- complete production lines with and without accelerated curing
- horizontal production systems with an Elemenatic dual line transfer table
- concrete casting equipment, finishing machines, tilting stations, vibrating stations and balcony moulds for various applications
- all necessary lifting and transporting equipment such as overhead, half portal and portal cranes, stacking and loading equipment for hollow-core floor slabs

partek

Munkkiniemen puistotie 25, SF-00330 Helsinki 33, Finland

Telephone 90-484 011 Telex 12-516 pkhki

Pulp

Sales: Price & Pierce Ltd.
London

LWC-paper

Sales: Lamco Paper
Sales Ltd.
London

Sawn goods

Sales: Plywood & Timber
Products Agencies Ltd.
London

Plywood

Sales: Plywood & Timber
Products Agencies Ltd.
London

kaukas

SF-53200 Lappeenranta 20, Finland
Telex 58-211 kslpr sf

“Scientific brutalization of building” draws architect’s wrath

by Donald Fields

The death of Alvar Aalto in 1976 left a void in Finnish architecture and design which may require more than a generation to fill. Aalto had the authority to insist on uncompromising excellence; the present mental climate is not conducive to such single-mindedness.

Disenchantment is easily discernible. Architects trained at two technological universities and two top schools feel that bureaucrats trample on their ideas. They resent the way in which rural property-developers dispense with their services in favour of engineers with narrow perspectives. They wish that the standardised methods of prefabricated building which are turning their towns into an appendage of some multinational subculture.

On the design side the impulse to rediscover national roots is still more acute: gone are the days when Wirkkala’s glassware, Franck’s ceramics and Weckström’s jewelry attracted superlatives. Some names hold their own—the Espanade houses, Marimekko, Arabia, Vuokko, Metsovaara and Pentik, while such producers as Aarikka (wooden jewels and toys), Nautajärvi (earring glass), Kultakeskus (incorporating Wirkkala’s new lines in bronze and pewter), Kalevala Koru (necklace motifs), and Lenni Revelli (soft, bright travel rugs) suffice the discriminating gift-hunter.

Over-philosophical, but he also gives practical examples showing that attention to ergonomic, aesthetic and human factors produces world-wide solutions: the Valmet six-wheel tractor, the Nautajärvi (earring glass), Kultakeskus (incorporating Wirkkala’s new lines in bronze and pewter), Kalevala Koru (necklace motifs), and Lenni Revelli (soft, bright travel rugs) suffice the discriminating gift-hunter.

But the identity crisis, the clash between artistic and commercial considerations, and the dearth of skilled designers from the politicized high schools (two student generations have been sacrificed on the altar of revolutionary theory) set the overall tone.

The glorious past offers tantalising refuge. The oldest heritage flourishes in the headland home of the Friends of Finnish Handicrafts, 15 minutes from central Helsinki, which resembles that similarly located museum devoted to Aalto’s Galleria Kalela. Here weavers battle patiently with the intricacies of the rya rug, an ideal centrepiece for the living-room tone.

The Friends are directed by Eva K. Miettinen. Handwork is an expression of personal creativity in variety of interiors.



Ceramics by Anu Pentik continue to entice discriminating gift buyers.

Aarikka, in its esoteric self of building and the commercialisation of architectural commissions, looks like the spirit of Aalto.

Mr Pietilä, backed by his wife Reili, has produced some original Finnish masterpieces: the Dipoli Congress Centre, the Kävyr Church in Tampere, flats at Suvikumpu. After teaching in St Louis and modifying his style to Arab culture in Kuwait, the Pietiläts are back home designing a parish and recreation centre for Hervanta, a new town near Tampere, and instilling students at Oulu with their ideas on form and space.

Ignored by decision-makers, Mr Pietilä frequently expresses his horror which is most stunned by Aalto’s passing. One of his most intellectual and outspoken survivors, Mr Reino Pietilä, pours scorn on town planning and his colleagues’ scarce you can stay on the market longer. He is confident of another decade of extremely rising sales: “Aalto’s work is not just a blot on the townscape is it is very functional and strong furniture, a true great synthesis.

The scientific brutalization of Merikaisla, a skyscraper only 60 per cent capacity.

Karelia was unabashed by overtures of Novgorod and Muscovy

Karelia formed the cradle like Gallen-Kalela and Karelians accompanied the tribes. As one authority, Mr Väistö-Pekka Mäkinen, observes: “It was fortunate that the Karelians were shrouded in mystery: they may have wended their own way from the Baltic countries, or been a straightforward offshoot from a greater Finnish diaspora.

The Karelians first gave themselves territorial expression in the eleventh century, unashamed by subsequent rivalry between the proto-Russian Novgorod and Muscovy, they flew themselves far to Lapland, the White Sea, beyond Lake Onega. Clans speaking a borch-patch of dialects and nurturing a mosaic of folklore, consolidated their hold on an area larger than present-day Finland.

But Karelia became a shuttlecock for the conflicting ambitions of Sweden and Russia. Guided by a Byzantine instinct for survival, many people looked east for salvation, finding refuge in Mother Russia after the barbaric Swedes had sacrificed their wanderlust in Stolbova in 1617. A century later, when Peter the Great took his turn at drawing maps, the Karelians’ commercial acumen was given new vent. As they had once supplied Novgorod with furs, they now helped to feed and heat Leningrad.

Under the tsars, Karelians living near highways and monasteries succumbed to serfdom, but off the beaten track free communities of extended families went on farming by slash-and-burn methods. Their gregarious nature was moulded in villages and large farmhouses of which the Somma building at Suoljärvi 24 metres long, sleeping 25—was the apothecary.

Although marooned in the power game’s shifting sands and prone to the occasional peasant revolt, the Karelians had their brighter moment in 1809 when Alexander I decreed that Vyborg province be tagged on to the autonomous Grand Duchy of Finland. During the nineteenth century their bonds with the other Finns were given free artistic rein. The ethnologist Elias Lönnrot travelled far to the east while unlocking the magic of the epic Kalevala, whose runes fired the musical imagination of Sibelius and the visual instincts of national romantic artists.

Stalin’s ideas were pure AKS in reverse. Finland’s Karelians bore the brunt of the Soviet attack in the winter war of 1939-40, retreating westwards almost to a man. Stalin promoted the Karelian Autonomous Soviet Socialist Republic, formed in 1923, into a fully-fledged constituent republic, extending it across its ill-gotten gains.

For reasons best known to the Marshal and his executioners, Finnish communists were hard to find for the enlightened leadership needed by the Karelian-Finnish SSR, although the ideologue Otto Wille Kuusinen, who survived on the new Soviet Premiership until the Khrushchev era, was made President of Karelia and head of a provisional Government for all Finland.

In June 1941 Finland joined the German assault on Russia, crossing the former border and rekindling grandiose visions of a Greater Finland. Civilians played on building projects

in Soviet Karelia. The road north to Murmansk or a possible west-east motorway, not to mention the island monastery of Valamo, may eventually be opened to Finnish tourists.

The isthmus area was removed from Petrozavodsk’s apron strings in 1946, and is a bleak advertisement for Russification. The railway to Moscow, now fully electrified on the Soviet side, offers Karelians a heartrending journey. Being of negligible economic significance, the region looks neglected, a poor approach to the architectural glory of Leningrad.

Vyborg (Vyborg), once so cosmopolitan and bright, is down-at-heels, its warren-like tenements relieved by an agit-prop centre, an impressive array of pleasure craft, and the propaganda-laden “socialisation shop. Teenagers, usually visitors with appeals for pukkuri (chewing-gum). Outside the town dilapidated farmhouses and sad, decent people looking as if they have little business to be there only reinforce the melancholy. Russian elan and warmth are far away. Yet Vyborg is an increasingly popular port-call for Finns conveyed along the Saimesa Canal, a sea link crossing Soviet territory and fostering bilateral and international trade.

North and south Karelia (“west” would be more precise) form the three of the ancient provinces left in Finland. The area’s brash, taking scenery belies its unemployment and emigration headaches. Population shifts and intermarriage, coupled with a dwindling in Orthodox ranks to only 60,000, have eroded the Karelian image.

But, on patron saint’s days in packed wooden churches, one can only marvel at the Karelians’ staying powers, which have enriched Finnish life so much. Today’s 25 to 40-year-olds, with a hardened attitude to political realities, have lost some interest in upholding Karelian traditions, but younger people now want to dig for their forebears’ roots.

For the old, the pipedream of a return to lost Karelia was ended, unkindly, in the Helsinki Declaration’s insistence on the inviolability of European frontiers. Yet, to quote Mr Väistö-Pekka Mäkinen: “Some Karelians exist in Finland by day, but live in Karelia at night—in their dreams.”

D.F.

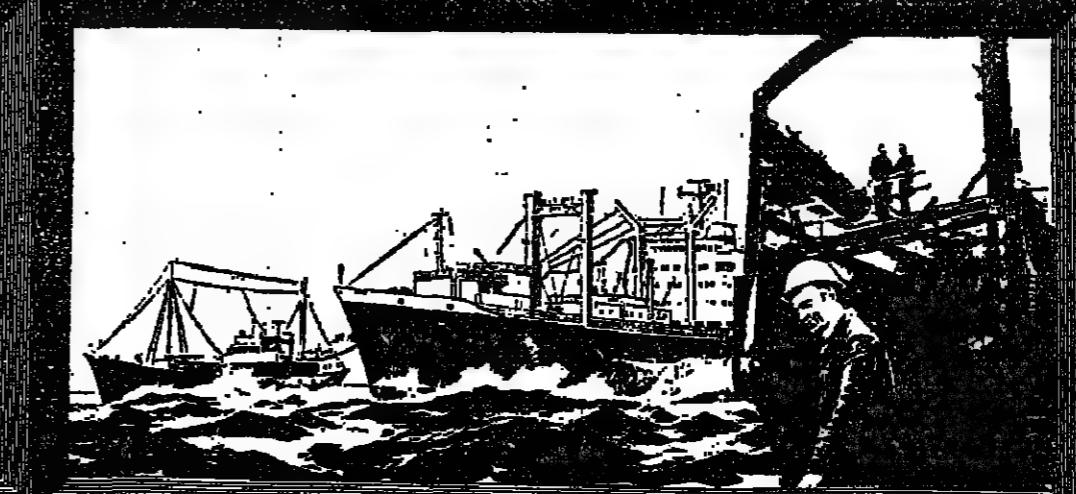
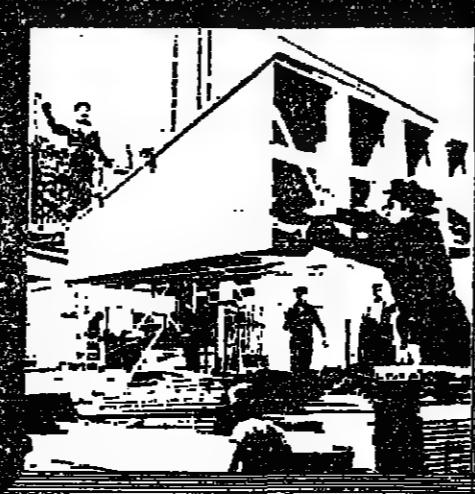
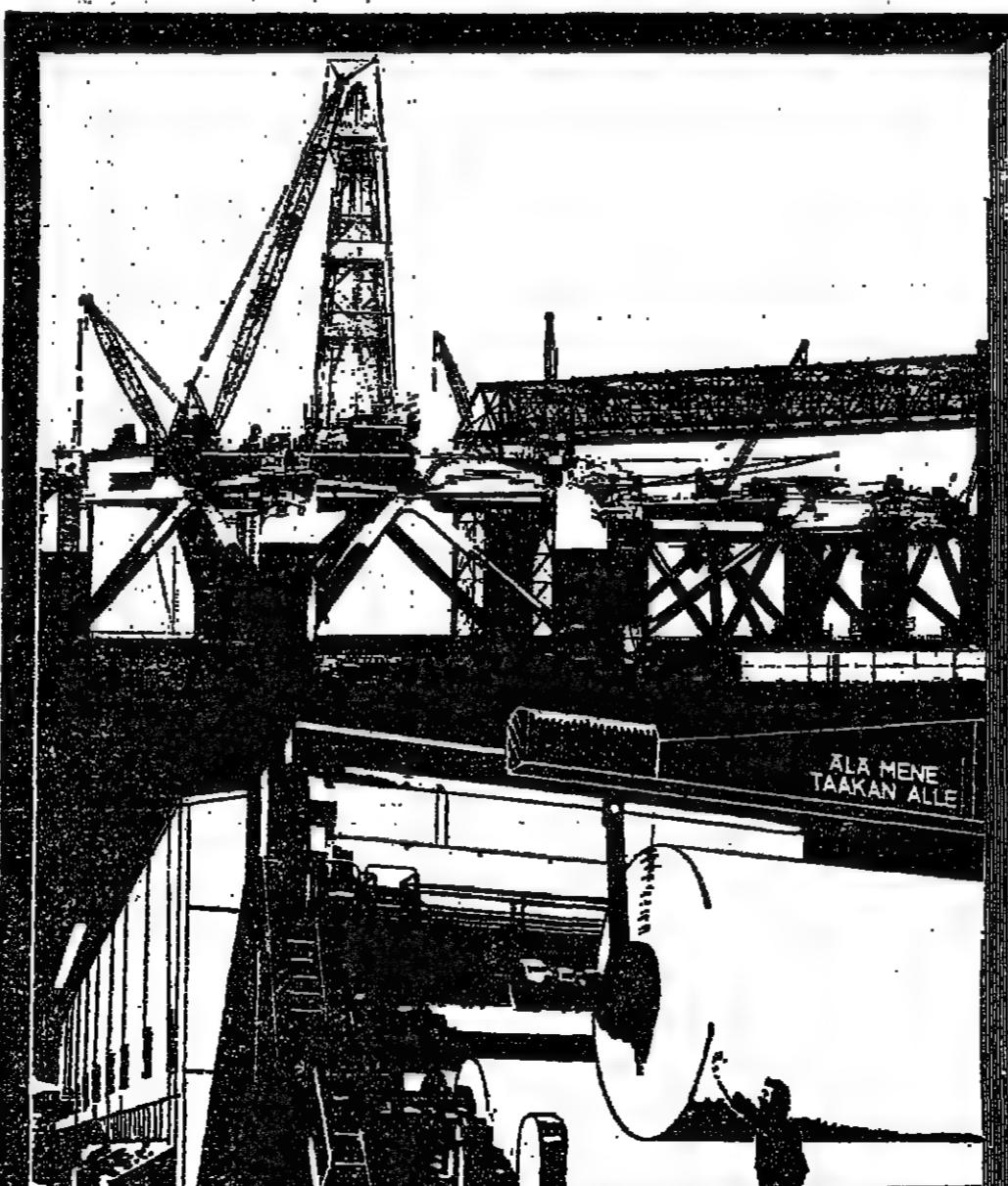
A FINN FOR ALL SEASONS: RAUMA-REPOLA

Multi-industry experience is our basic strength.

We design and manufacture tailor-made units to meet your highest demands.

- Turnkey plants for the forest industry: woodyards; cooking, washing and bleaching plants
- Equipment for chemical and petro-chemical industries
- Components for nuclear power stations
- Steel constructions
- Construction machinery
- Forest machinery
- Mobile cranes
- Oil-drilling rigs
- Special ships: tankers, refrigerated ships, cargo and ro/ro vessels, ice-strengthened polar tankers, replenishment ships and sea-supply systems

Our forest industry activities comprise production of sawn timber, board, doors and windows, prefabricated houses, pulp and paper.



We thrive on tough jobs — make yours our challenge!

Rauma-Repola
Marketing Department
Sneilmaninkatu 13
SF-00170 Helsinki 17
Finland



Yes, we are interested.
Send us free of charge

Corporate brochure
 Rauma-Repola Annual Report
 a copy of Rauma-Repola Reports
 further information on.....

Name.....

Position.....

Company.....

Address.....

Country.....

The Times Dec 5, 1977

Music from nowhere



Aulus Sallinen

another formative influence was Aarre Merikanto, composer of the seminal Finnish opera, *Juha*.

"It seems odd, but Merikanto's biting criticism could shoo sparks of inspiration". Sallinen recalls: "Yet he taught me less than Kol-Juha, who had so much to give in a technical sense".

Sallinen's 42 years have been a steady upward curve. Born near Lake Ladoga, he joined the wartime westward trek of Karelian exiles. His teenage years were spent in a small west coast town where, making arrangements from Glenn Miller and Artie Shaw records, he assembled a 12-piece school jazz band. The impressario in him was subsequently indispensable for a 10-year term as manager of the Radio Symphony Orchestra.

Sallinen's output includes three symphonies, four string quartets, a ballet, a violin concerto, and a new cello concerto recently given by Arto Noras and the Häme Orchestra. The absence of musical roots in the family underscores the achievement. There is a link between them: Sallinen studied under Kokkonen at the Sibelius Academy, where

The opera — *Ratsumies* (The Horseman) — was scored to a beautiful libretto by

Antti Sallinen.

Opera is thriving in Finland, thanks largely to the home-grown variety and the Herculean efforts of two composers — Joonas Kokkonen, the academician who personifies the musical establishment, and a younger man imbued with instant charm, Antti Sallinen.

The opera — *Ratsumies* (The Horseman) — was scored to a beautiful libretto by

Antti Sallinen.

Veijo Meri is one of Finland's top three living writers. Half his output of 10 novels, short stories, seven stage plays, poetry, a biography, and associated work for television has been as a translator. And, like Heller, Meri has Good Soldier Schweikish threads in his narratives, showing the corrupting effects of war behind the front, the tragic-comedy in

Anti-hero author



Veijo Meri

the common element in each work unfolds the composer's philosophy: "I don't want to change the world, but I believe musical theatre carries a latent force that touches people's emotions. Listeners at Savonlinna identified themselves with characters in *The Horseman*. Ordinary people live in a maelstrom of events they can't control, and I feel sympathy for their plight."

D.F.

How international are the opera messages by Sallinen and his mentor, Kokkonen? "The globe is too big for an artist to stand in it with both his feet. Music must still have a national point of departure. But if it has significance and, most decisively, quality, art crosses borders and becomes universal."

D.F.

Veijo Meri is one of Finland's top three living writers. Half his output of 10 novels, short stories, seven stage plays, poetry, a biography, and associated work for television has been as a translator. And, like Heller, Meri has Good Soldier Schweikish threads in his narratives, showing the corrupting effects of war behind the front, the tragic-comedy in

fused by harsh reality.

Some readers feel that Meri occasionally descends from humour into frivolity, but his indignation rings true: "The Danes saw the day Hitler marched in as the most glorious happening in our history. They think in terms of the opening minutes, when the nation stood united before the end of the world. Four months later people wept when peace was signed — would you credit it? Believing they had won the war, they wondered why the terms were so bad."

Meri's latest play, *Autumn 1939*, portrays Finns about to step into the catalyst of war. Since St Petersburg was founded in 1703 Finland's evolution has been a fairy tale he contends. The eighteenth-century Russians rationally turned Finland into a buffer state, and Alexander I's endorsement of this position in 1809 — tantamount to an independence declaration — established a *paix russe* which endured 108 years and has recently been renewed. The pragmatism has been minimal: the Finns failed to back the Polish anti-Russian revolt in 1863 and were rewarded by Alexander II.

modern Finland we have

been sucked into a huge mass dream, pro-Kekkonen, pro-Government, pro-establishment. Revisionist communist writers have submitted. When it comes to the crunch, I am loyal to the crunch. We are coming to terms with ourselves — though fortunately we have not reached Swedish levels of self-adaptation."

An aside which will stimulate those who believe social conflict is a good breeding-ground for the arts:

Meri's interpretation of history, violating the old textbooks, has its own sweet logic. Since St Petersburg was founded in 1703 Finland's evolution has been a fairy tale he contends. The eighteenth-century Russians rationally turned Finland into a buffer state, and Alexander I's endorsement of this position in 1809 — tantamount to an independence declaration — established a *paix russe* which endured 108 years and has recently been renewed. The pragmatism has been minimal: the Finns failed to back the Polish anti-Russian revolt in 1863 and were rewarded by Alexander II.

D.F.

Veijo Meri is one of Finland's top three living writers. Half his output of 10 novels, short stories, seven stage plays, poetry, a biography, and associated work for television has been as a translator. And, like Heller, Meri has Good Soldier Schweikish threads in his narratives, showing the corrupting effects of war behind the front, the tragic-comedy in

the past is an antidote, possibly hard to digest.

"Conservative quarters consider the winter war was the most glorious happening in our history. They think in terms of the opening minutes, when the nation stood united before the end of the world. Four months later people wept when peace was signed — would you credit it? Believing they had won the war, they wondered why the terms were so bad."

Meri's latest play, *Autumn 1939*, portrays Finns about to step into the catalyst of war. Since St Petersburg was founded in 1703 Finland's evolution has been a fairy tale he contends. The eighteenth-century Russians rationally turned Finland into a buffer state, and Alexander I's endorsement of this position in 1809 —

tantamount to an independence declaration — established a *paix russe* which endured 108 years and has recently been renewed. The pragmatism has been minimal: the Finns failed to back the Polish anti-Russian revolt in 1863 and were rewarded by Alexander II.

D.F.

Veijo Meri is one of Finland's top three living writers. Half his output of 10 novels, short stories, seven stage plays, poetry, a biography, and associated work for television has been as a translator. And, like Heller, Meri has Good Soldier Schweikish threads in his narratives, showing the corrupting effects of war behind the front, the tragic-comedy in

Bold impact on life



Antti and Vuokko Nurmesniemi

Two artists have developed a finer sense of objects, form and colour than Antti and Vuokko Nurmesniemi.

Set against some contrived, exaggerated and garish efforts, Vuokko's garments look blissfully natural — deceptive simplicity once again. A child might easily find her secret, but adults conditioned to the bizarre conventions of fashion could overlook the vital clue: the materials she employs are natural.

"I can only use cotton, wool and cloth which I wholeheartedly approve and which allow me to feel behind what I do", Vuokko Nurmesniemi emphasises.

Though each has a clear field, their overall approach coalesces. Antti aims at surroundings which give natural and social balance and show what unstinting artistic standards can achieve. Vuokko has a full-blooded commitment to the quality consistent with the

By virtue of late industrialisation, Finland has probably changed more in the past 20 years than any other western European country.

Professor Seppinen detects a profound change of mood in the years between Finland's golden and diamond jubilees. In 1967 we thought continuous economic growth was self-evident. Now pessimism has been induced by the energy crisis, inflation, dwindling raw materials, and pollution problems", he says.

Politically, 1967 marked a Social Democratic upsurge paving the way for extensive reforms. But this collapsed in the economic crisis. The Social Democratic party and the welfare ideology are in difficulty.

A useful desecration in the early seventies our society has touched a peak. It became exaggerated, even sick. The triumphs of Lasse Viren and others. Finns at Munich and Montreal reflected the situation, triggering a new self-reliance."

Vuokko detects a current gloom about the future with some optimism: "Confrontation between socialists and non-socialists is being replaced by cooperation. How permanent this will prove depends very much on the divided countries. If it becomes easier, even sick. Most Finns probably think something of his every day; in all likelihood a coffee-pot, whose apparent simplicity hides the ingenuity involved.

"I've been branching into investment goods and smaller articles for industry", Antti writes. "Whereas the ceramic designer is left to himself, when you do a tractor or a train you have to work with technicians. Teamwork can pay off if tasks are clearly divided and the individual contribution is emphasised. We've got to think

renewing."

Their meeting ground is the choice of materials: "We have not changed in this respect", says Antti — though it might equally well be Vuokko speaking. "We have learnt to know what can reasonably be obtained from nature, what is self-renewing."

Like many of their professional colleagues, Antti and Vuokko married as students. Many years later, when they draw willingly on the ideas of a Vuokko Nurmesniemi's wife, Vuokko Nurmesniemi, emphasises.

"The artificial is acceptable only where it is absolutely necessary." The cuts and the colours have a relaxed, healthy vigour which eludes the time-bound quality of fashion.

Vuokko is struck by the contrast between the mid-1960s, when she set up her own business, and the late 1970s. "We're still producing from 10-year-old models. Now emanating from the Vuokko Nurmesniemi's stable home on the Kuleva shore, three miles out of Helsinki, Antti's prolific output in a microcosm of visual developments over two decades. His list of taste from bright to subdued, would fill a telephone directory. Most Finns probably think something of his every day; in all likelihood a coffee-pot, whose apparent simplicity hides the ingenuity involved.

"I've been branching into investment goods and smaller articles for industry", Antti writes. "Whereas the ceramic designer is left to himself, when you do a tractor or a train you have to work with technicians. Teamwork can pay off if tasks are clearly divided and the individual contribution is emphasised. We've got to think

renewing."

Their meeting ground is the choice of materials: "We have not changed in this respect", says Antti — though it might equally well be Vuokko speaking. "We have learnt to know what can reasonably be obtained from nature, what is self-renewing."

Like many of their professional colleagues, Antti and Vuokko married as students. Many years later, when they draw willingly on the ideas of a Vuokko Nurmesniemi's wife, Vuokko Nurmesniemi, emphasises.

"The artificial is acceptable only where it is absolutely necessary." The cuts and the colours have a relaxed, healthy vigour which eludes the time-bound quality of fashion.

Vuokko is struck by the contrast between the mid-1960s, when she set up her own business, and the late 1970s. "We're still producing from 10-year-old models. Now emanating from the Vuokko Nurmesniemi's stable home on the Kuleva shore, three miles out of Helsinki, Antti's prolific output in a microcosm of visual developments over two decades. His list of taste from bright to subdued, would fill a telephone directory. Most Finns probably think something of his every day; in all likelihood a coffee-pot, whose apparent simplicity hides the ingenuity involved.

"I've been branching into investment goods and smaller articles for industry", Antti writes. "Whereas the ceramic designer is left to himself, when you do a tractor or a train you have to work with technicians. Teamwork can pay off if tasks are clearly divided and the individual contribution is emphasised. We've got to think

renewing."

Their meeting ground is the choice of materials: "We have not changed in this respect", says Antti — though it might equally well be Vuokko speaking. "We have learnt to know what can reasonably be obtained from nature, what is self-renewing."

Like many of their professional colleagues, Antti and Vuokko married as students. Many years later, when they draw willingly on the ideas of a Vuokko Nurmesniemi's wife, Vuokko Nurmesniemi, emphasises.

"The artificial is acceptable only where it is absolutely necessary." The cuts and the colours have a relaxed, healthy vigour which eludes the time-bound quality of fashion.

Vuokko is struck by the contrast between the mid-1960s, when she set up her own business, and the late 1970s. "We're still producing from 10-year-old models. Now emanating from the Vuokko Nurmesniemi's stable home on the Kuleva shore, three miles out of Helsinki, Antti's prolific output in a microcosm of visual developments over two decades. His list of taste from bright to subdued, would fill a telephone directory. Most Finns probably think something of his every day; in all likelihood a coffee-pot, whose apparent simplicity hides the ingenuity involved.

"I've been branching into investment goods and smaller articles for industry", Antti writes. "Whereas the ceramic designer is left to himself, when you do a tractor or a train you have to work with technicians. Teamwork can pay off if tasks are clearly divided and the individual contribution is emphasised. We've got to think

renewing."

Their meeting ground is the choice of materials: "We have not changed in this respect", says Antti — though it might equally well be Vuokko speaking. "We have learnt to know what can reasonably be obtained from nature, what is self-renewing."

Like many of their professional colleagues, Antti and Vuokko married as students. Many years later, when they draw willingly on the ideas of a Vuokko Nurmesniemi's wife, Vuokko Nurmesniemi, emphasises.

"The artificial is acceptable only where it is absolutely necessary." The cuts and the colours have a relaxed, healthy vigour which eludes the time-bound quality of fashion.

Vuokko is struck by the contrast between the mid-1960s, when she set up her own business, and the late 1970s. "We're still producing from 10-year-old models. Now emanating from the Vuokko Nurmesniemi's stable home on the Kuleva shore, three miles out of Helsinki, Antti's prolific output in a microcosm of visual developments over two decades. His list of taste from bright to subdued, would fill a telephone directory. Most Finns probably think something of his every day; in all likelihood a coffee-pot, whose apparent simplicity hides the ingenuity involved.

"I've been branching into investment goods and smaller articles for industry", Antti writes. "Whereas the ceramic designer is left to himself, when you do a tractor or a train you have to work with technicians. Teamwork can pay off if tasks are clearly divided and the individual contribution is emphasised. We've got to think

renewing."

Their meeting ground is the choice of materials: "We have not changed in this respect", says Antti — though it might equally well be Vuokko speaking. "We have learnt to know what can reasonably be obtained from nature, what is self-renewing."

Like many of their professional colleagues, Antti and Vuokko married as students. Many years later, when they draw willingly on the ideas of a Vuokko Nurmesniemi's wife, Vuokko Nurmesniemi, emphasises.

"The artificial is acceptable only where it is absolutely necessary." The cuts and the colours have a relaxed, healthy vigour which eludes the time-bound quality of fashion.

Vuokko is struck by the contrast between the mid-1960s, when she set up her own business, and the late 1970s. "We're still producing from 10-year-old models. Now emanating from the Vuokko Nurmesniemi's stable home on the Kuleva shore, three miles out of Helsinki, Antti's prolific output in a microcosm of visual developments over two decades. His list of taste from bright to subdued, would fill a telephone directory. Most Finns probably think something of his every day; in all likelihood a coffee-pot, whose apparent simplicity hides the ingenuity involved.

"I've been branching into investment goods and smaller articles for industry", Antti writes. "Whereas the ceramic designer is left to himself, when you do a tractor or a train you have to work with technicians. Teamwork can pay off if tasks are clearly divided and the individual contribution is emphasised. We've got to think

renewing."

Their meeting ground is the choice of materials: "We have not changed in this respect", says Antti — though it might equally well be Vuokko speaking. "We have learnt to know what can reasonably be obtained from nature, what is self-renewing."

Like many of their professional colleagues, Antti and Vuokko married as students. Many years later, when they draw willingly on the ideas of a Vuokko Nurmesniemi's wife, Vuokko Nurmesniemi, emphasises.

"The artificial is acceptable only where it is absolutely necessary." The cuts and the colours have a relaxed, healthy vigour which eludes the time-bound quality of fashion.

Vuokko is struck by the contrast between the mid-1960s, when she set up her own business, and the late 1970s. "We're still producing from 10-year-old models. Now emanating from the Vuokko Nurmesniemi's stable home on the Kuleva shore, three miles out of Helsinki, Antti's prolific output in a microcosm of visual developments over two decades. His list of taste from bright to subdued, would fill a telephone directory. Most Finns probably think something of his every day; in all likelihood a coffee-pot, whose apparent simplicity hides the ingenuity involved.

"I've been branching into investment goods and smaller articles for industry", Antti writes. "Whereas the ceramic designer is left to himself, when you do a tractor or a train you have to work with technicians. Teamwork can pay off if tasks are clearly divided and the individual contribution is emphasised. We've got to think

renewing."

Their meeting ground is the choice of materials: "We have not changed in this respect", says Antti — though it might equally well be Vuokko speaking. "We have learnt to know what can reasonably be obtained from nature, what is self-renewing."

Like many of their professional colleagues, Antti and Vuokko married as students. Many years later, when they draw willingly on the ideas of a Vuokko Nurmesniemi's wife, Vuokko Nurmesniemi, emphasises.

"The artificial is acceptable only where it is absolutely necessary." The cuts and the colours have a relaxed, healthy vigour which eludes the time-bound quality of fashion.

Vuokko is struck by the contrast between the mid-1960s, when she set up her own business, and the late 1970s. "We're still producing from 10-year-old models. Now emanating from the Vuokko Nurmesniemi's stable home on the Kuleva shore, three miles out of Helsinki, Antti's prolific output in a microcosm of visual developments over two decades. His list of taste from bright to subdued, would fill a telephone directory. Most Finns probably think something of his every day; in all likelihood a coffee-pot, whose apparent simplicity hides the ingenuity involved.

"I've been branching into investment goods and smaller articles for industry", Antti writes. "Whereas the ceramic designer is left to himself, when you do a tractor or a train you have to work with technicians. Teamwork can pay off if tasks are clearly divided and the individual contribution is emphasised. We've got to think

renewing."

Their meeting ground is the choice of materials: "We have not changed in this respect", says Antti — though it might equally well be Vuokko speaking. "We have learnt to know what can reasonably be obtained from nature, what is self-renewing."

Like many

Tourism in the red despite lavish investment

by Donald Fields

bad times the Finns go abroad—hence our deficit." Investments in tourism dried up after the clampdown on credit in 1975. Now, even if attractive terms were available, only bold spirits would take the plunge. Yet rock bottom may have been reached, and the chances of single digit inflation (after five consecutive years of 12-18 per cent price rises) and a more typically sunny Finnish summer in 1978 mean that sales managers can still raise a smile.

Of all activities related to tourism, congresses have probably captured the most interest in recent years. Mr Pihlström acknowledges their catalytic role, and this quotation of an American playing truant from a Helsinki talking-shop may not be altogether apocryphal: "I couldn't care less about the convention, but the sights are wonderful. And they're thrown in at the trip to Leningrad as well."

In the latest wave of recession tourism's decline is greater than the industrial stupor. In Sweden, West Germany and the United States—the main sources of trade—would probably capture the most interest in recent years. Mr Pihlström acknowledges their catalytic role, and this quotation of an American playing truant from a Helsinki talking-shop may not be altogether apocryphal: "I couldn't care less about the convention, but the sights are wonderful. And they're thrown in at the trip to Leningrad as well."

Using the existing rule-of-thumb estimates, it appears that 15,000 foreigners attend congresses each year in the Helsinki area, probably bringing in millions and boosting Finnish and the shipping lines in the process. For the whole country the figures may be roughly double.

Finland certainly possesses some unique qualities as an international rendezvous.

The Helsinki Congress Bureau—getting through en-

ormous work with a skeleton staff and a tenuous shoe-string—lists these advantages: novelty, exordium, security, neutrality, accessibility, shopping, and general facilities. "We Finns care about people"; it somewhat modestly insists. "When we have been abroad, the chances of single digit inflation (after five consecutive years of 12-18 per cent price rises) and a more typically sunny Finnish summer in 1978 mean that sales managers can still raise a smile."

Mr Lasse Ranta, the bureau's manager, is familiar enough with the international congress circuit to choose his words carefully: "Finland will never be a tourist country. But it's an attractive location for conferences—and not too distant for most participants, whose expenses are paid."

Word having penetrated the grapevine on Helsinki's most tangible virtues, in a Europe committed in human and informational flow, it is worth emphasizing the political factors. The Finnish brand of neutrality is particularly conducive to East-West talks, and east Europeans on a tight budget often travel by way of Moscow or Leningrad—find it more practical than some Western cities.

Although officials are naturally loath to discuss security for fear of tempting fate, so far Finland—where violence erupts in drunken reaction of Finn against Finn—seems worlds away from the lunatic terrorism which lurks elsewhere. Having made the European Security

Conference secure, the police are clearly capable of unfussy preemptive action.

For most international gatherings held in Helsinki the first initiatives generally come from the Finnish associates of world federations. "The association must have government backing, and should obtain financial guarantees before it invites people here," Mr Ranta says.

Some travel agencies have primed themselves to coordinate programmes for delegates with the most multi-

national interests. AREA, Finland's biggest agency, belongs to the ICA, the main international congress body.

Kaleva and the Finland and Travek bureaux also promote tours and entertainment for conferences. Mr Pihlström strikes a warning note: "Associations sponsoring meetings are often unaware of these possibilities, and draw in the travel agents too late."

For unsubsidized visitors living costs are a snag which might make businessmen wonder if Mr Healey's lavish allowances for foreign visitors are justified. Nobody would want to pay through the nose for the cleanliness, quality and pace of living which raise many bills, but profiteering middlemen, taxi drivers and unwilling attendants seem to get an unreasonable cut. Another catch for congresses is that staff insist on taking their

holidays in potentially profitable July, although some arrangers are trying to coax them into staggering their breaks.

The most frequent complaint, however, is that accommodation fails short of congress seating capacity. This applies only to Helsinki which together with Rovaniemi on the Arctic Circle, has as much as 75 per cent of its hotel capacity used throughout the year.

By 1980 about 1,600 beds will have been added to the 4,500 in the Helsinki area: through an annex to the Inter-Continental, Tripoli, an extension of the Dipoli Congress Centre and the Presidential, financed by the Russians. Comfortable, reasonably priced hotels adapted from student hostels will continue to reduce summer overloading.

Comments on Finland's meetings (numbering 171 in 1976) indicate smoothness all round—technical, personal and linguistic. Unlike most international gatherings, the main event so far fixed for 1978—the congress of 4,000 mathematicians—will be a symbolic exercise eliminating the need for simultaneous interpretation.

The hall can be broken down into seemingly infinite combinations of units but the highest figure quoted in the complex tariff is 16,000 for the congress wing and the 10,300 for daily hire of both the congress wing and the mainly musical main building.

Altogether about 300,000 people enjoy the festival's varied fare. The 1978 festi-

val falls between August 24 and September 8, but is preceded by a series of summer concerts.

Plans exist to put on

congresses, which are specialized festival offshoots during Easter and late autumn, but they have still to receive committee approval.

The Security Conference did promote spin-off," says Mr Seppo Bromé, its director. "Since nothing could be more complicated than that event, we feel we could cope with anything."

Comments on Finland's meetings (numbering 171 in 1976) indicate smoothness all round—technical, personal and linguistic. Unlike most international gatherings, the main event so far fixed for 1978—the congress of 4,000 mathematicians—will be a symbolic exercise eliminating the need for simultaneous interpretation.

The hall can be broken down into seemingly infinite combinations of units but the highest figure quoted in the complex tariff is 16,000 for the congress wing and the 10,300 for daily hire of both the congress wing and the mainly musical main building.

Altogether about 300,000 people enjoy the festival's varied fare. The 1978 festi-

Torku and Pori province, named after its two main centres, is the heartland of Finnish civilization, albeit much implanted by Swedish colonists.

Turku will never forget

that it was the capital until 1812. Its new congress centre, Iktuuri, can seat 4,140. Student unions have chipped in with most of the Fimky 5.6m equity capital and provide 1,200 extra hotel rooms out of term; at other times the Marin Palace, sleek and central, and the Ruisala, locked amid wooded islands, provide a steady balance between conference and bed capacity.

In Hame Finns are reputed to be at their least communicative. This may not be borne out by the main centre, Tampere, where dense bands play from restaurant roofs and there is a surplus of women. As such, the purest Finnish is spoken there, and Jyväskylä, whose summer festival has degenerated from an imaginative international forum into a focus for parish-pump haggling, displays much that is best in post-war Finland.

The Rehtaspi Hotel at Laajavuori sets its sights on Jyväskylä over ski-jumps and jogging tracks. About 1,500 guests can move into its restaurants. Embracing nine of the nearly-angled Laajavuori is a far cry from standard barrack-like hotels.

Distances gradually widen in these rarefied wildlands. Fully 200km separates Kajaani and Kuusamo, which stand equally in the scenic league table. Roaring rapids and crisp spring days of sleet and snow are Kuusamo's trump cards.

Kuusamo's falls offer the first hint of Lapland (Lappi in Finnish), whose desolate tracts cover fully a third of the country. People are few—seven to a square mile.

The Arctic Circle capital, Rovaniemi—rebuilt from wartime ravages—contains some Alvar Aalto gems and proves the adage that service grows in friendliness in direct proportion to distance from Helsinki.

While Lapland's leaders advocate devolution, one part of Finland already enjoys it—the Åland Islands, 95 per cent of whose population are Swedish in language and sentiment. Mariehamn, whose linden-lined streets are eloquent of the money made from seafaring, has the unreal air of a staging-post in pocket-roads—which it is in many respects.

Although all Finland's variety covers an area a third larger than Britain, and the remote north-west of Lapland is within easy access of public transport, Finland, maintaining one of the best organized domestic networks in the world, and the state railways both keep fares down.

Subsidy could endanger independent press

by Olli Kivinen

In case it deviates from the non-socialist press, the independent press is important by the strength of the independent press.

The present economic recession has not affected Finland's independent press as badly as those of other Scandinavian countries. Even the Social Democratic Party (Viipuri's labour party) still wants to use the press subsidy system to support only party-affiliated papers. In the long run this could endanger the economic position of the independent press which do not receive subsidies.

Press subsidies, direct and indirect, are a generally accepted way of ensuring the formation of a diversified opinion. The threat of using the direct subsidy system to survive without party and government support is a way that could strangle the independent press. It has decreased slightly after a strong effort push in the early 1970s, but the political thinking opposing strong independent papers is still there.

One could even say that

many politicians in the non-socialist parties feel irritated by the strength of the independent press.

The present economic recession has not affected Finland's independent press as badly as those of other Scandinavian countries. Even the Social Democratic Party (Viipuri's labour party) still wants to use the press subsidy system to support only party-affiliated papers. In the long run this could endanger the economic position of the independent press which do not receive subsidies.

The tradition of party newspapers has remained strong in Finland, though the independent press has grown steadily during the post-war years. About half of Finland's 90 dailies are affiliated to one of the political parties.

This party press cannot survive without party and government support. A quick glance will tell immediately why these party papers are not viable: they are narrow-minded propaganda publications which allow even inter-party discussion to flow freely, let alone independent or other-party opinion.

Usi Suomi, formerly the main organ of the fourth big party, the Conservatives, is a recent example of how economic necessities force more and more papers to independence. Usi Suomi cut its links with the party two years ago as its losses grew rapidly.

The paper decided to go independent with close links with private industry. New editors have made numerous changes, but these have not improved the desperate financial straits of the paper because it chose to compete in the same market with the dominant Helsingin Sanomat.

Competition between newspapers is not ready stuff. The independent Helsingin Sanomat with a circulation of over 350,000 (400,000 on Sundays) towers above the others. The party papers do not offer any competition as their lack of quality excludes all buyers but party faithfuls. The leading provincial papers are strong in their own areas but show no signs of expanding into national circulation with all the expenses involved.

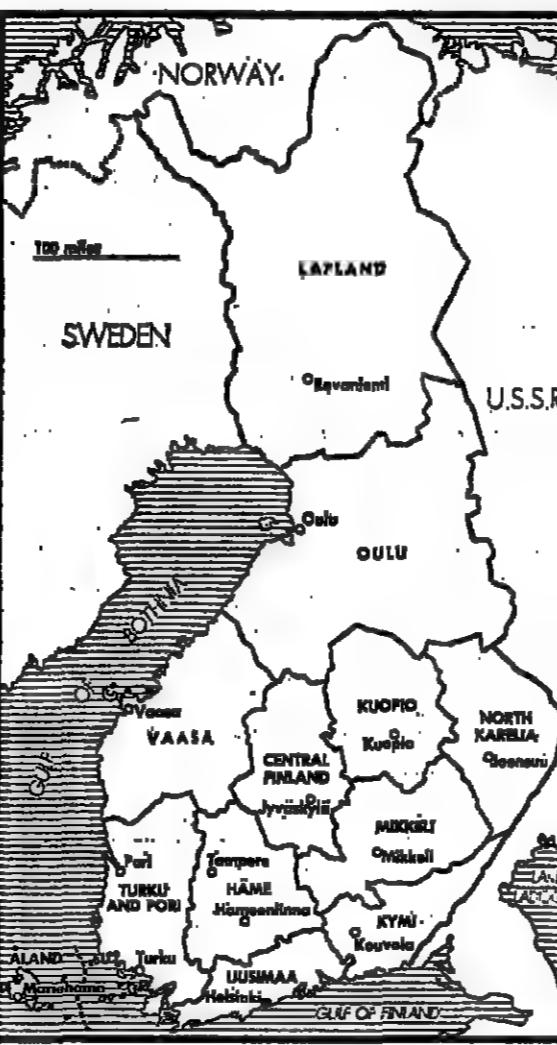
Among women's and general family magazines, however, the competition is fierce, and an all-out war is fought largely with details of the private lives of local celebrities.

Finland's newspapers are traditionally serious, even sombre, and anything approaching a popular daily is hard to find. This seriousness sometimes goes too far, when the papers become a part of the establishment. As a contrast to this seriousness come the magazines, which go to the other extreme.

In the cut-throat magazine market improving the quality is considered an obsolete weapon. Magazine journalism became so intrusive that public opinion forced Parliament to enact strong legislation to protect the private lives of people.

The legislation improved the security of individuals but it did not improve the quality of the magazines. A local beauty queen's adventures with an obscure boyfriend can still sell several magazines simultaneously, and a pound of coffee is a better inducement for a potential subscriber than journalistic quality.

The split personality of a Finnish media uses who prefer serious daily papers and trivial magazines has puzzled many observers and researchers. One reason offered is that the lightweight magazines fill an entertainment vacuum left by a television ideology which sneers at television entertainment.



Enso - a giant in the forest industry:

Finland is now celebrating the 60th anniversary of its independence. During this time our country has progressed from rural beginnings to one of the industrially most developed countries in the world.

Enso has contributed significantly to this development. The company is almost half a century older than independent Finland, and its development represents a cross-section of the progress of Finnish industry. UK trade has been crucial for our country, and the same naturally goes for Enso, too.

Enso today is one of the major forest industry enterprises on our continent. Its product range has expanded markedly in the last few decades and now comprises practically the entire forest industry scale — from sawn goods to prefabricated houses, from pulp to complete paper and board packages.

For prompt and efficient deliveries Enso created for the UK trade an own transport system which includes liner traffic to harbour terminals and onward transport to the warehouses of the customers. Enso's own sales offices in London and Edinburgh are also at the disposal of our customers.

Enso starts the next decade of Finland's independence determined to improve its products and services worldwide.



ENSO-GUTZEIT OSAKEYHTIÖ

Enso-Marketing Company Ltd. 10 Grosvenor Gardens LONDON GREAT BRITAIN SW1W 0DP Tel: 01-7308221 Telex: 918225 ukenso g

Enso Sales (Scotland) Ltd. 27 Abercromby Place EDINBURGH GREAT BRITAIN EH3 6QE Tel: 031-557-2797 Telex: 72282 enso sc



Financial and industrial policies are not a heady brew

Economy undergoes its roughest ride

by Donald Fields

In 1975, when Finland staged the European security summit, the hosts concocted a catchphrase for dérément—the "spirit of Helsinki". Two years later final euphoria may have evaporated in Belgrade, but the Finns have found a new spirit—that of Korpilampi.

Last September Korpilampi, a congress hotel, was the venue for an unprecedented economic conference attended by 350 top decision-makers. The only influential absences were the hardcore communists, one else from their "revisionist" comrades (now in the Government) to the sternest captains of industry to sit through two days of talk.

The Korpilampi brew is not a heady one. The documents produced on incomes policy, farming and forestry, competitiveness, and the working environment were cosmetically unexceptionable. True, they may have had some bearing on policy, but they were hardly an "advance of the Government's recovery" programme proclaimed in June. Above all, the results with Korpilampi were that it came three years too late.

In those three years the Finnish economy has undergone its roughest ride of modern times: almost no growth, 50 to 60 per cent inflation, a burgeoning foreign debt, and a rocketing of unemployment from the balmy unreality of October 1974, when vacancies exceeded the jobless for the only time in Finnish history, and the foolhardy, addicted to carefree investment, were still oblivious to the 1973 oil crisis.

Naturally, Finns were not entirely to blame for their feelings. Their dependence on imported oil—with the 60 per cent Soviet share geared to Opec pricing—followed a West European pattern.

Yet wounds were also self-inflicted. Adjustment to the repercussions of higher oil prices took an unconscionable time as politicians, eager to salvage votes, retreated from Armageddon. In the absence of a long-term prices and incomes policy, nominal earnings, boosted by an awesome wage drift, galloped unrestrained and Finland was priced out of several markets.

With poor standards of communication arguably the root cause of most Finnish problems, marketing abroad many and Japan are insufficient and information scanty. Graduates leave schools of economics (attempted hybrids of the London School of Economics and business schools, but scarcely worth university status) unprepared for the main preoccupation. In this context Sweden, number two trading partner, is seen as the arch rival. Sweden's botched gamble on an economic upswing, its widening trade gap and its delay in taking corrective measures are crumbs of comfort for the Finns, though the hard-pressed Swedish Government's ability to buy time and reduce taxes in the hope of moderating wage claims may mean the crumbs will be soon swallowed.

Whereas the Swedish krona has been marked down by 15 per cent in three devaluations, the combined drop of the Finmark in two such moves has been almost 9 per cent—just below the level at which pay deals would become liable to tricky renegotiation. Businesses are furious at the smallness of last August's adjustment.

Finland remains highly exposed. Sweden's decision to sell off vast stocks of pulp at reduced prices has obliged Finland's forest industries to follow suit, contributing to an estimated total loss of Fmk2,000m for 1977. Furthermore, Sweden is in a better position than Finland to tackle unemployment. If there is light at the end of the present gloom, it may first shine in Sweden, starting new waves of emigration from Finland.

Curbing inflation is seen as the way to restore competitiveness and thus create jobs. The 1974-76 price explosion and subsequent tailing-off have been somewhat less dramatic than in Britain, but on simple price comparisons the Finmark remains grossly over-valued. Exhortations to save are still not supported by a clear prices and incomes policy.

In November Government plans to cover a statutory wage and price freeze into further stimulation measures were brusquely rejected by the representatives of Korpilampi. The Government's employment target is based on the unrealistic assumption that export volume will rise by 7 per cent per year; the term pay rise under existing



Sunday morning in Market Square, Helsinki. Despite economic woes and industrial unrest, no one believes the balloon is going to go up.

Like marriage, unions have off-days

When the occasion arises, Altogether 70 per cent of Finland's employed population is organized in four major trade unions. Outweighed by his notice. In November 1976 the blue-collar SAK's 950,000 members are the white-collar TVK's 285,000, the professional AKAVA's 140,000, and the technical STTK's 94,000. Despite Finland's strike by 670 guards, which was effectively broken by 670 guards, which was halting Finland's railways and jeopardizing production. In April 1977, addressing Finland's largest trade union organization, he declared that the strike weapon was "obsolete".

Those forceful interventions came amid a wave of strikes that cost 1,350,000 working days in 1976 and 2,200,000 in the first half of 1977, despite a decline in union bargaining power because of rapidly growing unemployment.

Unlike their Scandinavian neighbours, who try their utmost not to upset the industrial apple cart, the Finns appear resigned to this pattern. Phrases like "holding the country to ransom" and "union-bashing" are not in their vocabulary, and such British fixations as the closed shop, mass picketing and political links are rarely cited in debate. The climate of opinion is less for strike against the unions as such than it is tactfully diffused through the entire range of social issues. Union leaders are seen as bogeymen only in desperate straits—including last spring's intransigent behaviour by tech-

nical workers.

The unions' own history reflects the turbulent undercurrents. At first workers' combinations were inhibited by the tardiness of industrialization; not until 1894 did printers' shopfloor associations first coalesce in a national union. In 1907 18 unions, numbering 25,000 workers, affiliated themselves in one federation.

Despite early victories in the fight for better conditions, the unions' morale was shaken in the aftermath of the 1918 civil war and in a quasi-fascist upsurge in the early 1930s.

Immediately after the Second World War, with the emergence of underground communists, the ranks were swelled and the first collective agreements signed. After the 1956 General Strike a split among Social Democrats undermined the blue-collar federation, SAK, which was advisedly renamed a decade ago and has been celebrating its seventieth anniversary this year.

Altogether 70 per cent of employers' groupings (including the state) and the ebullient Central Union of Agricultural Producers.

The TVK has a cooperation deal with the STTK, but sticky relations with the self-conscious AKAVA. Its fast-talking chairman, Mr Oso Laakso, has provided a more political (Social Democrat-leaning) profile which clashes with the respectable middle-class bearing of most members, but accords with the new-found militancy of bank-clerks, nurses and others.

For real assertiveness, however, the STTK has few peers. In last spring's strike wave various initiatives were levelled at Mr Olof Reini, the steely Social Democratic lawyer who presides over the federation's technical technicians. At the time Mr Reini defended his policy—symbolized by a seven-week strike of power-station engineers and disruptive sympathetic stoppages—as a straightforward effort to preserve living standards.

Anti-union sentiment, generally subdued, blossomed during dark evenings of STTK-induced power cuts.

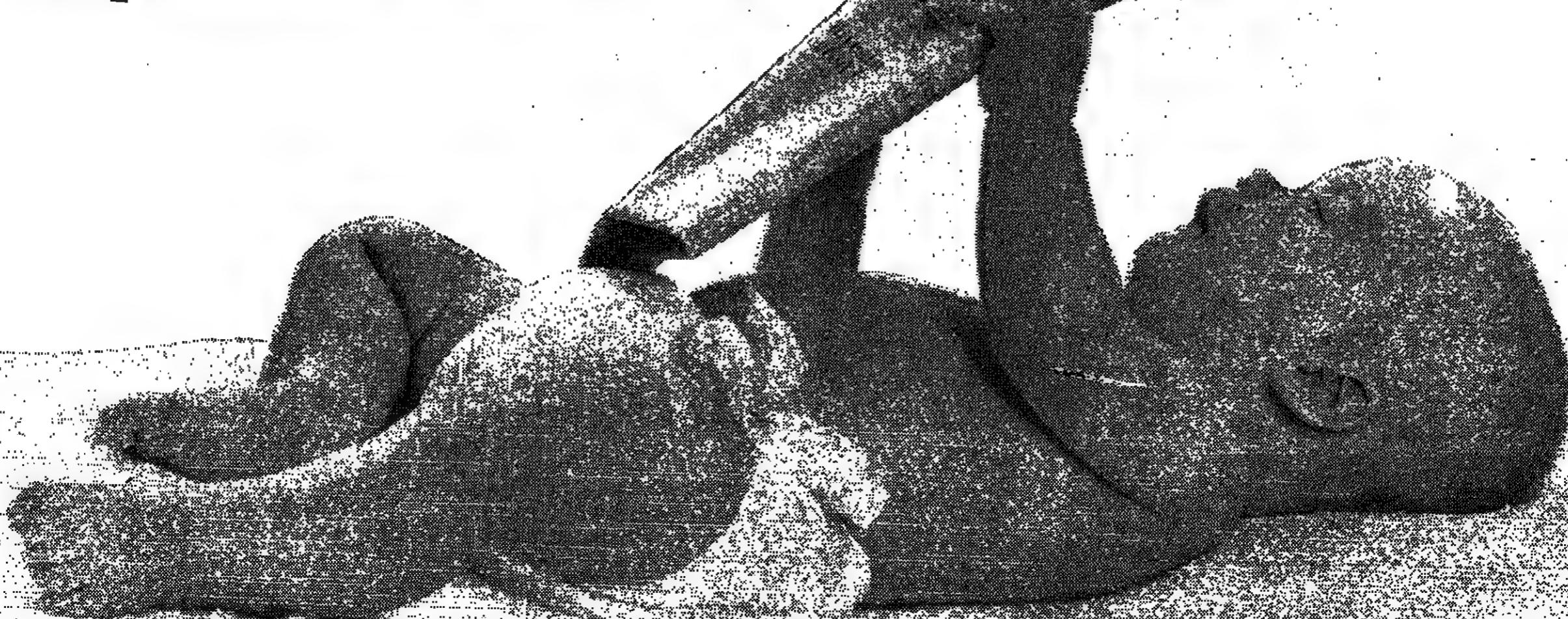
In deeming strikes outmoded, the President called for an effective system of industrial democracy. While interpretations of that concept vary, a mild proposal for worker participation acceptable to all but the most hidebound employers and the most doctrinaire communists now exists. It is premature to tell whether it has real teeth and will allay fears of red tape—not to mention whether it will combat strikes.

Certainly an improved dialogue at shop-floor level on all sides, and union leaders are not so jealous of their own power that they fail to urge decentralized decision-making. A greater say for the rank and file might re-establish some of the denied prestige of the central organizations, which find the economic climate unpropitious for imaginative new initiatives.

Not that the unions need reproach themselves unduly. As the communist Mr Hämäläinen describes the SAK: "Our movement is a bit like married life—though love generally flourishes, there can be off-days."

D.F.

TMP in pants and hands



TMP

Nature has given the wood cell a strong and beautiful structure. It deserves the gentle treatment of thermomechanical pulping to make full use of its superb potential as a fibre for many purposes, from diapers to high quality printing papers.

Kaipola TMP paper

is now a fact. The TMP process gives the paper good printability, smooth runnability and great strength even in lower weights. The process is friendlier to the environment and the buyer's purse while replacing more expensive chemical pulp.

Jylhä engineering

has made the Kaipola TMP production a fact. Jylhä TMP-systems in a capacity range from 100 to 560 tonnes per day are on order to Scandinavia, North America and the Soviet Union. The Jylhä Tandem process is the future today, with new energy-saving possibilities and utilization of cheaper raw materials.

Finntalc

gives the final touch to the TMP papers, replacing up to 35% of more expensive raw material, the wood fibre. Its platy particles guarantee smooth surface, good ink retention and optical brightness.

I'm interested in the facts.

Name _____

TMP papers

Company _____

TMP Engineering

Position held _____

Finntalc

Address _____

YHTYNEET PAPERITEHTAAT OY

MARKETING SERVICE

P.O. BOX 40

SE-113 20 STOCKHOLM

FINLAND

YHTYNEET PAPERITEHTAAT OY
(UNITED PAPER MILLS LTD)
KAIPOLA JYLHÄVAARA FINNTALC



هذه المقالة

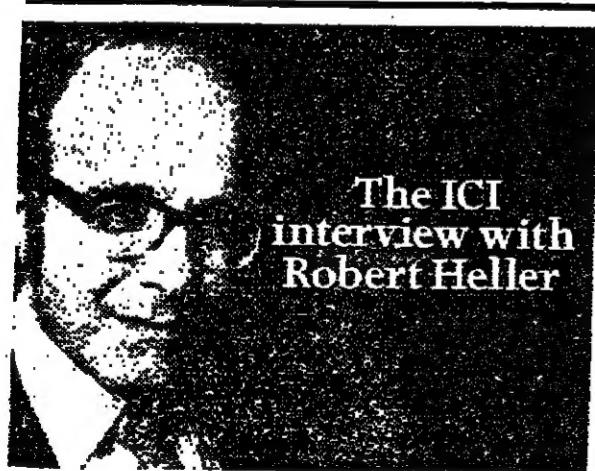
حکذا عن الراحل



Judith Mills (23), Sales Representative. After 2 years, already handling sales worth £12 million.

'You are thrown in at the deep end with no restrictions really, the opportunities are marvellous.'

Judith Mills, ICI Sales Representative



The ICI interview with
Robert Heller

The vision of industry in the minds of many young people still owes much to Blake's 'dark satanic mills'. How fair an assessment is this? Every year ICI recruits around two hundred graduates. In this interview, Robert Heller, Editor of 'Management Today' talks to three, working at ICI Mond Division in Cheshire - Judith Mills (23), Sales Representative, Brian Slaney (26), an Engineer, and Max White (27), a Personnel Officer. How have their ideas of industry in general, and ICI in particular, changed?

Heller: Max, was there any hostility towards profitable concerns like ICI in your fraternity?

White: Yes... a high degree - which I also shared. The academic world deals in theory, so assumptions are made which you later find are not reflected in reality. There's little appreciation of how managers do their jobs or that they have to balance human interests with commercial reality.

Heller: What persuaded you, despite your initial hostility, to join ICI?

White: I was fascinated by industrial relations. I wanted to find out what really happened. I'd assumed industrial relations were about confrontation. When I arrived I found confrontation formed only a very tiny part of it.

Heller: Do you all feel your work at ICI is useful to the nation?

Slaney: The public probably see things like the social services as being more directly useful. They fail to realise that it's companies like ICI, contributing through taxes and so on, that make these services possible.

Mills: One of the major things is the employment we create... that people are better off. I think if we had more of an ICI set-up throughout the country - more profitable firms - we'd all be better off.

Heller: How important is the profit motive in industry?

White: We're a capital intensive industry and we've got to make a profit to keep pace with the need to build new plants - which will help us to get our share of world markets.

Slaney: It's essential if British industry is to go ahead. I have shop floor meetings where we share information about what we are doing. In one product area where we've had problems, the first question the foreman gets asked is "How much did we make yesterday?" This is a step in the right direction as far as I can see.

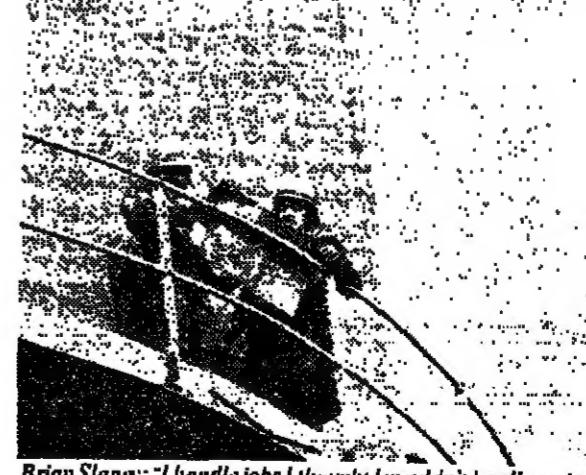
Heller: And what do you all get out of it?

Slaney: I've found myself doing the sort of jobs now that I once thought I wouldn't be allowed to tackle for another 10 years. After only 5 years here, I've got 60 people working for me and a budget of £14 million.

Heller: Max, you're a social scientist and personnel specialist. Have you found much scope for initiative at ICI?

White: Yes. When I first arrived I was given the go

ahead to introduce a psychological testing scheme of mine, in certain areas. That was my initiative and the company welcomed it. Their willingness to consider new ideas is very heartening.



Brian Slaney: "I handle jobs I thought I wouldn't be allowed to tackle for 10 years."

Heller: So joining such a large organisation hasn't robbed you of your individuality...

White: In a company as large as this there's plenty of space - space for the individual to develop.

Mills: I've found there are no restrictions really or orders from above - the opportunities are marvellous. After 2 years I'm responsible for handling sales worth £12 million to our customers in the Manchester area.

Heller: Can a big company be competitive - has ICI a sharp enough cutting edge?

Mills: Yes, I think it has. We do well. We create wealth as a company and lots of people benefit. This wouldn't happen if we weren't sharp and better at our job than the opposition.



Ideas in action

"How important is the profit motive in industry?" asks Robert Heller. From left to right: Brian Slaney, Heller, Judith Mills, Max White.



New Printing House Square, London, WC1X 8EZ Telephone: 01-837 1234

SPEAKING FOR WHITEHALL

Whitehall has been anticipating the appointment of Sir Ian Bancroft as Head of the Home Civil Service for at least five years. He has been groomed for the post just as Sir Frank Cooper, his chief, if reluctant, rival for the job, had been prepared for the trying task of running the Ministry of Defence during a period of rundown. Their past experience was the main reason why Mr Callaghan chose last week to move Sir Ian from the Department of the Environment and to leave Sir Frank where he was.

In both cases their former patrons have done well. The country can only benefit from having two first class public servants in the jobs for which they are best suited. But Sir Ian's inheritance is a surprisingly difficult one. Since 1972, when he became Second Permanent Secretary at the CSD under Lord Armstrong of Sanderstead, attacks on the Civil Service have risen to an unprecedented pitch. Internally, the staff associations have become truculent and difficult to manage. Morale has slumped at all levels.

Much of the criticism of Whitehall is misplaced. Civil servants are blamed for the shortcomings of the kind of society with which "war socialism" of the years 1939-45 left the country. Large bureaucratic institutions were the inevitable concomitant of a welfare state and an interventionist economic strategy, the dominant characteristics of postwar domestic policy.

On the lowest level, the civil servant remains the butt of stage ridicule, his props the bowler hat, the striped suit and buff

folder bound in red tape. At a slightly more elevated level, he is the victim of the "shuddering blancmange" theory (the phrase is Mr Aeron Waugh's) which sees Whitehall as smothering freedom and enterprise, in the manner of Mr Waugh's confection, through regulation and taxation. On the most sophisticated plane, critics like the Institute of Economic Affairs assign the public servant the rôle of midwife and handmaiden to the corporate state. In the present climate, all three caricatures stick.

The Civil Service needs somebody to speak in its defence. It is no good officials expecting their ministers to protect them. Many ministers share the popular prejudices against their servants, often superimposing a self-serving one of their own which imagines civil servants as engaged in a kind of conspiratorial coup d'état against the manifesto pledges of elected governments. This view is the one formerly put with great vehemence by the late Mr Richard Crossman and much favoured these days by Mr Wedgwood Benn. Furthermore, if there is one breed held in even greater disregard by the public than the bureaucrat nowadays it is the politician.

Sir Ian must therefore overcome his longstanding dislike of personal publicity and do the job himself. If he does not publicly protect his people as often as he can, nobody will. He must transform himself from being one of the finest establishment officers. Whitehall has ever known into a statesman of the public service. His predecessor of many years ago, Sir Warren

Fisher should be the model. Fisher fought tenaciously to raise the esteem in which his profession was held, believing it should be seen as the "Fourth Service", alongside the three Armed Forces.

Judged by this criterion, Sir Ian has made a poor start. His first act as Head of the Civil Service-elect was to refuse to talk to the newspapers. One of the unsung virtues of Sir Douglas Allen, whom he is to succeed on January 1, was the example he set to the rest of Whitehall in being accessible to the press and in standing up, when necessary, to ministers who so often are the repressors on these occasions. The value of last summer's pledge of a greater degree of openness in government will depend a great deal on Sir Ian overcoming his misplaced fastidiousness about publicity. He should remember the advice given by Stanley Baldwin to aspiring politicians: "Cancel your subscription to the cutting agency and grow a new skin."

Sir Ian has a marvellous chance over the next five years to reform Whitehall from within and to leave the country with a better Civil Service than ever before. The CSD is already reviewing methods of recruitment and training. New ventures here could create a lasting legacy. Sir Ian's profession is vital to the country's fortunes. It is a sheet anchor of the constitution and a great bulwark against change of the worst kind. It is currently undervalued on all sides. Sir Ian's first task should be to raise its self-esteem and the regard in which it is held by others. Above all, he must speak for Whitehall.

JUST AS IMPORTANT AS A STUBBS

After the sale of another batch of books last week, the dispersal of John Evelyn's library has already raised more than £250,000 although the auctioneers have not yet sold further through the alphabet than the letter G. The loss of the first great library to be established in this country on a systematic principle is a grave one. It had been available for study in Christ Church Library, Oxford, for many years. Many of the books are in the bindings Evelyn commissioned or contain his manuscript notes. Even after the losses and accretions of 300 years, it was an irreparable loss to the range of interests of the greatest connoisseur of his day, closely concerned with the restoration of Charles II, art, science, education, dendrology, air pollution, ploughing technique and the manufacture of cider. Another great collection has gone the same way this year—the non-religious books from Sion College library, which fetched £455,000 in June.

Such events create mixed feelings among scholars and collectors. The characteristic mingling of melancholy and glee can be heard in Evelyn's own comment on one of the books sold this year, which he acquired at the "rude dispersion of Cardinal Mazarin's library". If no collections of antiquities were ever broken up, new ones

could never be made. But some collections are so valuable, either as part of a national heritage or as convenient assemblies of papers on a particular topic, that they should never be allowed to be scattered. Evelyn's books deserved saving on both counts, the Sion College ones on the first if not the second. In spite of the efforts which the British Library may be presumed to have made in the saleroom (at no small expense to the taxpayer), many of the finest items in both collections will certainly leave the country for ever.

The former owners of the books share the general regret, but insist that they were faced by necessity. The Evelyn trustees were constrained by an unforeseen accident of inheritance and by capital gains tax to sell off the entire printed library (the manuscripts, including the famous diary, are to be left at Christ Church only "as long as possible", and against the auctioneers' advice). Sion College needed to raise money for its expenses, and after an appeal to the City failed to raise enough, in spite of a generous response, it turned to its library. It is not fully clear that the owners exhausted every possible alternative in either case. Sion College gave too little advance notice of what it had in mind, and the Evelyn trustees seem to

have rejected an offer by Christ Church to maintain the library because they would still have felt obliged to bear the cost of insurance (if the law requires a treasure to be broken up by creating an obligation to insure the irreparable, the law is an ass indeed). Would rescuers had to compete with many similar outliers this year, and a library is less spectacular than a Merton or Lambeth one appealing to a George Stubbs.

There is every prospect of many more outrages to come.

The main culprits are not the owners but the public policies which in most cases compel them to act as they do.

Public policy is not to blame (in any immediate way, at least) for the growth of the arts investment market which has so greatly increased the temptations and complexities of ownership. Capital gains tax and capital transfer tax are another matter. But policy is plainly failing to take account of the realities if as many precious things are lost or nearly lost in one year as we have seen in 1977. It is time for the closest possible reappraisal of the whole impact of taxation in this field, of the arrangements for accepting treasures in lieu of tax, and of the resources available to the state to buy paintings, libraries and houses when all other efforts to save them have failed.

to the ruling anti-Europeanist sentiment.

Why "assembly"? Article 142 of the EEC Treaty gave the nominated European chamber power to adopt its own rules of procedure, and under that article the assembly resolved that its name should be changed first to "European Parliamentary Assembly" and then to "European Parliament". In fact, delegates of the de from national parliaments remained too. Perkins out of natural vanity they were trying to add a cubit to their stature, although the name assembly is respectable enough with the French. Yet the choice of title for the Westminster Bill still stands as an expression of contempt directed against a rival democratic chamber. It warned that nominated delegations should remember their place, and that their place would not star simply because European parliamentarians had been directly elected by half million votes.

It is in that spirit that many members of both main parties at Westminster show anxiety that they are more concerned to preserve the questionable sovereignty of national parliaments than to create a new democratic chamber in Europe with genuine parliamentary powers. Indeed, the Government and its listless supporters for the Bill simultaneously deny to the European Parliament some powers that they are willing in absentia to concede to a devolved assembly in Edinburgh. Democracy is not for export, now the Westminster model has catastrophically failed across so much of the old empire.

Fifth, there are human factors that are never unimportant in parliamentary growth. They help to explain the organic development of all democratic parliaments, as the European Parliament itself has illustrated, particularly since Peter Kirk led the first United Kingdom delegation to Strasbourg in 1973, and since Roy Jenkins, as Commission president, said last January that he and his colleagues of commissioners would treat the nominated Parliament as though it were already directly elected. In human nature, Council and Commission will always prefer to have friends to deal with and will want support against national parliaments, and if they do not find it in one place, it is high time to awake out of sleep! I am, Sir, yours faithfully,

DAVID WOOD

Commons sets a limit on rival powers

One event after another last week spread a little more despair throughout the EEC that United Kingdom strategy is to belong to the Community the better to stop its development. Before leaving Brussels for Yugoslavia, Mrs Thatcher succeeded in convincing British reporters that a Conservative government's practice of Europeanism would be as nationalist as Mr Callaghan's Government, and no marked change of axis or style should be expected. At home Mr David Owen, a devout Europeanist, had the wrenching task of announcing to the Commons that the Government meant to surrender to anti-Market pressure and table an amendment to the European Assembly elections Bill blocking any increase in the Assembly's democratic powers; and Mr Ron Heward, general secretary of the Labour Party, superciliously repeated his advice that Mr Callaghan should not let the United Kingdom's domestic election before any European election, for all the world, as though he does not know other members of the Nine have their own election dates to keep.

This week's events will be no more inspiring. Mr Callaghan and Dr Owen will be in Brussels for a summit meeting, facing a curt denunciation that if the United Kingdom cannot meet the deadline of May next year for European direct elections, then let it propose a revised date it could stick on. That will be Mr Callaghan's cue blandly to insist that a truly democratic government may propose but Westminster will dispose; and he will no doubt add that, for all his best endeavours, these high questions cannot be rushed to a settlement with any certainty on a date.

Of all these events, nothing strikes me as less becoming than Westminster's reflex support for the proposition that a democratically elected parliament cannot be risked for the Nine unless it is first made impotent. The tide of the Bill is itself a reticule sop

to the ruling anti-Europeanist sentiment. As pretended, parliamentary powers as they are not yet implemented, will be much as it is possible to claim too much for powers of national parliaments, so it is possible to claim too little for the European Parliament. Westminster's own history lies open for our instruction. Parliaments or if you like assemblies, inevitably grow in sway once democracy takes over; and there will be no way of stopping the growth of the European Parliament's powers after direct elections, by the insistence of anti-Market men at Westminster that a specific Bill amending the Rome Treaty or the accession treaty must be passed in the United Kingdom Parliament. Consider some of the factors. First, the directly elected European Parliament, with a million members, or thereabouts, they are accountable to, although not even the Conservative Party, which is most advanced in its headquarters electoral arrangements, yet knows how that answerability will be contrived. Second, the European MPs, like Westminster MPs, will have been elected on a party manifesto.

Third, the European MPs will be in on a fixed five-year term that will remove some national pre-occupations from their thinking. Fourth, already within the European Parliament one sees the growth of constitutional conventions, which is to say without any changes in treaties an understanding develops that relationships between the Council of Ministers and the Commission should flexibly move in a given direction.

Fifth, there are human factors that are never unimportant in parliamentary growth. They help to explain the organic development of all democratic parliaments, as the European Parliament itself has illustrated, particularly since Peter Kirk led the first United Kingdom delegation to Strasbourg in 1973, and since Roy Jenkins, as Commission president, said last January that he and his colleagues of commissioners would treat the nominated Parliament as though it were already directly elected. In human nature, Council and Commission will always prefer to have friends to deal with and will want support against national parliaments, and if they do not find it in one place, it is high time to awake out of sleep!

PAUL M. LLOYD,
The Vicarage,
Ringmer,
Lewes,
Sussex

Interim devolution for Ulster

From Sir Patrick Macrory

Sir, As the man who, it seems, has unintentionally given his name to "the Macrory gap", mentioned in your leading article of November 21, may I briefly but warmly endorse the views expressed by Dr David Morrison (December 1).

I hope that no one will think for a moment that my colleagues and I on the Northern Ireland Local Government Review Body deliberately set out to create this now notorious "gap". What we recommended was the transfer of responsibility for the major local government services from one set of elected bodies, the county and county borough councils, to another elected body, the Parliament of Northern Ireland.

"Sinn Féin" if we could have foreseen in 1970 that no sooner had the Stormont council been dismantled than Stormont itself would disappear, I am sure that our recommendations would have been very different.

Dr Morrison asks for the establishment without delay of an elected regional authority to assume responsibility for such major local government services as health and education. So do I. So, for a long time now, has that sensible and moderate man, the New Ulster Movement. So, if the Right, the far-right, do, Mr McNamee, the leader of the Ulster Unionists at Westminster; Mr Harry West, the leader of the Unionist Party in Ulster; and Mr Airey Neave, the Conservative Party's spokesman on Northern Ireland affairs. So, I am sure, do the great majority of Ulster citizens, who are paying substantial rates towards the cost of services over which they now have no local democratic control whatever and who, in this regard, are therefore effectively subject to taxation without representation, which we learnt "in '70".

Sir Ian has a marvellous chance over the next five years to reform Whitehall from within and to leave the country with a better Civil Service than ever before. The CSD is already reviewing methods of recruitment and training. New ventures here could create a lasting legacy. Sir Ian's profession is vital to the country's fortunes. It is a sheet anchor of the constitution and a great bulwark against change of the worst kind. It is currently undervalued on all sides. Sir Ian's first task should be to raise its self-esteem and the regard in which it is held by others. Above all, he must speak for Whitehall.

Curbing the sale of pornography

From the Chief Constable of Greater Manchester

Sir, I read with great interest in The Times on November 24 the article by Ronald Burr about pornography. I share his concern. There is, of course, much that can be done by the police under existing law, imperfect though it is, to combat harmful obscenity. For example, between January 1 and November 20 this year, officers of my 14 squads at divisional level to deal with such matters as prostitution, pornography, licensing and gaming have carried out 224 raids on bookshops, other shops, stalls and warehouses in Greater Manchester. Approximately 160,500 articles (books, magazines and films) alleged to be pornographic or obscene have been seized from retailers and distributors and sent to the Obscene Publications Act, 1959. The total retail face value of the material was £211,500. In one police division 38 raids on 13 bookshops specializing in pornographic material resulted in their complete closure.

Judged by this correspondence I have received about this issue, I consider that police action in Greater Manchester has been unqualified support of the large majority of the public but the relative obscurity of obscenity legislation involving censorship and ethics has not gone unnoticed. There are, indeed, many who challenge my right to interpret the law to their apparent disadvantage and I have been publicly criticized by persons who clearly do not approve of the manner in which I choose to exercise my discretion to enforce the law. In particular, I have been disbarred for taking positive action in the problematic field of licensing pornography and vice. Astonishingly, there are some, it seems, who openly break the law to obtain debauchery and lewdness, and resent any legal action by police to maintain decent standards. There are others who are at pains to tell me what I should or should not do in the matter of law enforcement.

It is hard to convince some "doubting Thomases" of the immorality and inanity of the police and vice-motives are wrongly attributed to us. It will be disastrous if ever the day arrives when a chief constable, presently able to act

independently and politically untrammelled under the law, is directed on the one hand, against his will and professional judgment, to enforce particular laws in a certain way, and on the other hand, prevented by improper influence or insidious pressure of one kind or another from discharging his lawful duties.

If the law puts upon the police the responsibility for exercising a wholly subjective judgment on aspects of human behaviour and attitude, then people should not complain too readily if police action does not always accord with their views or what they would like to see. I am glad that the law relating to obscenity is under scrutiny. My only hope is that it will be strengthened in such a way that our chances of maintaining proper standards of decency will be decided better not worse.

Yours faithfully,

C. J. ANDERTON,
Chief Constable,
Greater Manchester Police,
Soughill Street,
Manchester.
November 29.

From Mrs V. F. Rymer

Sir, Before the usual anti-Whitehouse lobby rushes in, I would like to echo that lady's surprise at the apparent brushing aside by Mr Merlin Rees of the problem of child pornography.

Two recent BBC programmes (in "Tonight") were very explicit about it, without being in the least sensational. One, in which photographs of children with totally innocent (adult) photographs were interleaved, was extremely chilling by reason of their total lack of feeling. The other, about child pornography, was very disturbing and (in the case of interviewed parents) distressing.

Mr Rees must have little time for watching TV, but no doubt the BBC would arrange a private showing of these programmes for him if he is really ignorant about what is going on.

Yours faithfully,
V. F. RYMER,
Dorey Cottage,
High Street,
Sonning,
Berkshire.

that the guidelines were being disregarded in countless cases, but there is mounting evidence that the current policies are being overtly flouted in private industry and commerce. Wage settlements in the region of 15 and 20 per cent, bogus productivity deals, spurious job grading, more lucrative perks of every kind are the order of the day it seems.

And as if to make matters worse, in at least one well known case, the firm apparently enjoys immunity from direct Government control in the pay of firemen, policemen, nurses and almost all other groups of workers in the public sector in normal times. When the going gets rough, however, there is apparently no hesitation on the part of the government to exert its authority as paymaster (for example, in the case of nurses and other health service workers) as is considerable influence (upon local authorities in the case of firemen, etc) to ensure that its guidelines are strictly adhered to. I do not believe, however, that this restraint, distasteful though it undoubtedly is, lies at the root cause of the problem.

There are grounds for optimism. Firstly, the Likud has already reconciled itself to the loss of that part of historic Palestine which became Transjordan and, later, part of Jordan. Secondly, there appears to be a majority in the Knesset on the West Bank. Thirdly, if the compromise on the West Bank is made in the form of a Confederation of Israel and Jordan, words need not be eaten back, Messrs Macrory and Frankel make clear. Indeed, one could go further than they do: ultimately the confederation could include Jordan as well.

It is further to be hoped that Mr Sadat's momentum for peace is sustained by positive action or, at least, words on the part of the Likud Government, especially in respect of the Palestinians. It should be made clear to Mr Begin during his visit to Britain that the supporters of the Gush Emunim form only a tiny minority of Diaspora Jews. A sovereign state of Israel re-united with (rather than the) Palestinians, whether in a confederation or in another scheme, is as good a definition of the territorial component of Zionism as could be wished.

Yours faithfully,
PAUL LEVY-MENARD,
23 Fitzwarren Gardens, N19.

From Mr Andrew Phillips

Sir, On Monday of this week (November 28) appeared on the leader page an article by David Wood and a letter by Francis Pym, MP, which might have been made to order. As well as so well did they lay all the blame for the current direct elections debacle at the door of the Government, without putting as much as a finger on the conduct of the Tory group in the election.

But however much Mr Pym continues to ignore the fundamental innocence of the system of direct elections, and however much Mr Wood and Francis Pym's letter is to the British public to elect under a fair voting system to decide what kind of government is to be formed, it is for the journalists or MPs to decide what kind of government is to be formed.

However badly the Government has behaved on direct elections—end it is—we are where we are. And where we are is at the point where there is some hope of getting fair elections, and elections on time, only by a proportional system. A good European would have thought that public sector workers are discontented?

The time has surely come for the Government (and indeed the whole country) to face up to this issue. Put in its most simple terms, we either have an incomes policy of some kind or we don't. The present situation is neither one thing nor the other, and manifestly untenable and untenable.

Yours faithfully,
ANDREW PHILLIPS,
Prospective Liberal Parliamentary Candidate for Saffron Walden,
Bocking,
Essex.

women, surrounded by empty shelves, would look up from her knitting with surprise (and some disdain I felt) whenever I asked for bread at such an hour. And at one of the town's larger supermarkets, there was obviously no call for milk after 4.00 pm, a good two hours before closing time, because, consistently, there were only empty shelves where the milk should have been. The assistants, when asked why there wasn't any, always enlightened me with "Sold out, buy". Translation: we're out because we're out.

Here, in London, the situation is a little better, because many businesses are run by foreigners. But the riddle still puzzles me: if not for money, then why does this nation of shopkeepers keep shop? Perhaps because they're overs of privacy and peace. What better place to be behind a quiet till?

Yours sincerely,
J. R. DUTTON,
41 Gt. Titchfield Hill, NW6.
November 25.

DAVID GENTLEMAN,
23 Gloucester Crescent, NW1.

